

## **DIRECTORS**

Pradeep Gupta  
Ashok Agarwal  
Rohit Chand  
Kulmohan Singh Mehta  
Shyam Malhotra  
Krishan Kant Tulshan

## **BANKERS**

State Bank of Mysore

## **AUDITORS**

N.K. Goel & Co.

# **C O N T E N T S**

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Notice is hereby given that **Twenty Sixth Annual General Meeting** of the members of the Company is scheduled to be held on Tuesday, the Second day of September, 2008 at 10.30 a.m. at the Singhania Hall, PHD Chambers of Commerce, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet and Cash Flow Statement as on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Shyam Malhotra who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Mr. Rohit Chand who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s N K Goel & Co., retiring auditors are eligible for re-appointment.

**By the order of the Board  
For Cyber Media (India) Limited**

**Sd/-  
Shilpi Gupta  
Company Secretary**

**Place : New Delhi  
Date : June 24, 2008**

#### Notes:

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. The form of proxy, duly filled and stamped, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution/authority, as applicable. Form of proxy is enclosed.**
- 2) A proxy may not vote except on a poll.
- 3) The register of Members and Share Transfer Books of the Company will remain closed from August 26, 2008 to September 02, 2008 (both days inclusive).
- 4) Members/Proxies should bring their Attendance Slips along with copy of the Annual Report to the meeting.
- 5) Members who are holding Company's shares in dematerialised form are required to bring details of their Depository Account Number for identification.
- 6) Members holding equity shares in physical form are requested to notify the change of address/ dividend mandate, if any, to the Company's Registrar and Share Transfer Agent, Intime Spectrum Registry Ltd., A-40, Second Floor, Naraina Industrial Area, Phase II, New Delhi- 110028.
- 7) In terms of Articles of Association of the Company, Mr. Shyam Malhotra and Mr. Rohit Chand, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends their respective re-appointments.

# DIRECTORS' REPORT

## Dear Members,

Your Directors are pleased to present the **Twenty Sixth** Annual Report on the business and operations of your Company together with the Audited Annual Accounts of the Company for the financial year ended on 31st March, 2008.

## FINANCIAL RESULTS

The comparative financial position of the Company for the year under report and the previous year is as follows in accordance with the provisions of clause (a) of sub-section (1) of section 217 of the Companies Act, 1956:

Rupees Million

Particulars	Consolidated		Standalone	
	FY 08	FY 07	FY 08	FY 07
<b>Total Income</b>	<b>1,130.07</b>	<b>970.73</b>	<b>702.06</b>	<b>682.45</b>
<b>Expenditure</b>				
- Direct Expenses	<b>540.42</b>	493.67	<b>372.96</b>	349.16
- Personnel Expenses	<b>298.14</b>	201.86	<b>151.75</b>	136.17
- Other Expenses	<b>151.49</b>	129.99	<b>97.90</b>	99.20
- Financial Expenses	<b>29.35</b>	18.74	<b>21.75</b>	13.52
- Depreciation	<b>30.72</b>	22.16	<b>22.37</b>	16.85
<b>Profit Before Tax for the Year</b>	<b>79.95</b>	<b>104.31</b>	<b>35.33</b>	<b>67.53</b>
Provision for Taxation	<b>25.54</b>	37.07	<b>14.46</b>	24.55
<b>Profit After Tax for the Year</b>	<b>54.41</b>	<b>67.24</b>	<b>20.87</b>	<b>42.98</b>

## FINANCIAL/OPERATION PERFORMANCE REVIEW

During the year under review, the Company has crossed Rupees One billion-mark recording a consolidated turnover of Rs.1,130.07 million as compared to Rs.970.73 million during year 2006-07 thereby recording an increase of 16% over the last year. The turnover on stand alone basis also increased from Rs.682.45 million in 2006-07 to Rs.702.06 million in 2007-08.

Due to one time adjustments on account of Accounting Standard-15 on employees benefits; adverse impact of depreciation of dollar vis-à-vis rupee; increase in financial charges due to additional funding for acquisitions and new projects; and hardening of interest rates, the net profit (consolidated) is lower to Rs.54.41 million from Rs.67.24 million. The net profit on stand-alone basis also recorded decrease from Rs.42.98 million to Rs.20.87 million.

## CONSOLIDATED FINANCIAL STATEMENT

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the consolidated financial statements have been prepared by the Company in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The Audited consolidated financial statements together with Auditors Report form part of the Annual Report.

## DIVIDEND

Your Company has a policy to share its growth with the

shareholders by way of distributing its profits as dividend among the shareholders. Your Directors are pleased to recommend a dividend of 5% on equity shares for the financial year 2007-08, the final dividend on the equity shares, if declared as above, would involve an outflow of Rs.5,000,621/- towards dividend and Rs.849,856/- towards dividend tax.

## RESERVES

The Company proposes to transfer Rs.9.17 million to the General Reserve out of the total amount available for appropriations and an amount of Rs.25.14 Million is proposed to be retained in the Profit & Loss Account.

## SUBSIDIARIES

Your Company has eleven subsidiaries, out of which six are Indian Companies and five are foreign Companies.

Indian Subsidiaries include:

Cyber Holdings Limited, Cyber Media Events Limited, Cyber Media Digital Limited, IDC (India) Limited, Cyber Media Services Limited, and CyberMedia India Online Limited.

Foreign subsidiaries include Cyber Media Singapore Pte Limited and Cyber Media India LLC.

Cyber Media India LLC further has three subsidiaries viz: TDA Group LLC., Publication Services Inc., and Content Matrix LLC.

Subsidiaries set up during the financial year 2007-08, in a strategic move to expand the services business of the Company are:

Cyber Media Services Limited, TDA Group LLC., Publication Services Inc., and Content Matrix LLC.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section 58A of the Companies Act, 1956, and Rules made there under.

## BUY BACK OF SHARES

The Company has not under taken any exercise of buy back of its equity shares during the year under review.

## LISTING AT STOCK EXCHANGES

The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange. The annual listing fee for the financial year 2008-09 has been paid.

## RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND ADAPTATION

### Research & Development

The Company firmly believes that research and development of new techniques and processes will help the Company grow and thus it is taking steps to upgrade and modernize its processes by adopting latest technology developments in the field. However, presently Research & Development costs comprise a very small part of your Company's total expenses and hence the financial implications of these measures are not material.

### Technology Absorption and Adaptation

The Company uses latest equipment and state of the art technology to provide a sophisticated and tech friendly environment to its employees.

- CyberMedia uses a diverse mix of technology platforms across its national and regional headquarters that's partly driven by business need; partly by its publications' need to test a lot of technologies they write about both within its extensive test labs and in a real business environment; and finally, by its need to use a number of the technology areas that it evangelizes, such as intranet applications and the Linux platform.
- Virtually every employee has a PC in a fully networked environment.
- CyberHouse and all three CyberMedia regional headquarters are also wireless-enabled, with Wi-Fi access points deployed, and wireless-enabled laptops with editors and managers.
- The applications include Circulation, Accounts, CRM, and HR2.

### CONSERVATION OF ENERGY

The operations of the Company are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy – efficient equipment.

Your Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient.

As energy costs comprise a very small part of your Company's total expenses, the financial implications of these measures are not material.

### FOREIGN EXCHANGE EARNINGS AND EXPENDITURES

As per the requirements of clause (e) of sub-section 1 of Section 217 of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, the detail of foreign earnings and outgo is as follows:

Foreign Exchange Particulars	(Rs. In '000)
a) Foreign Exchange Earnings	102,600
b) Foreign Exchange Expenditure	36,988

**Efforts and Initiatives in relation to Exports:** The Company's publications are well accepted globally. Through acquisition of assets of TDA Group LLC, the Company is aiming for a strong entry in the global custom publishing business.

### MATERIAL CHANGES AFTER THE BALANCE SHEET DATE

With the objective of enhancing online and event activities, your Company strategically acquired entire equity in CMP Cyber Media LLC, (formerly a 50:50 JV of United Business Media LLC (UBM) & the Company), and consequently the business became a wholly-owned unit of the Company.

### DIRECTOR'S RESPONSIBILITY STATEMENT

Directors Responsibility Statement prepared in accordance with sub-section 2AA of Section 217 of the Companies Act,

1956 regarding compliance with the accounting standards, accounting policies while preparing the financial results of the Company is as follows:

The Directors hereby state:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities.
- That the Directors had prepared the annual accounts on an ongoing concern basis.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Shyam Malhotra, Executive Director and Mr. Rohit Chand, Non-Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors recommend their re-appointment.

### HUMAN RESOURCE DEVELOPMENT

Your Company has always valued its employees. The HR department is geared towards ensuring recruitment, retention and development of the best talent in the industry.

Your company practices various interactive sessions on Team Building, Motivation and on Stress Management to keep the employees motivated and improve their work style. Your company also conducted various training programs across departments for enhancing the Sales, Edit and Managerial skill of the employees.

### INDUSTRIAL RELATIONS

The relation between the Company and its employees remained cordial throughout the year. Not a single day was spent idle due to any strike or bad relations with the employees.

### CORPORATE GOVERNANCE

A detailed report on Corporate Governance as per Clause 49 of the Listing Agreement alongwith the certificate of the Auditor's of the Company confirming compliance of the various practices of Corporate Governance is set out in the Annexure forming part of this Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required

under the Listing Agreement is annexed to this report.

### AUDITORS

The Statutory Auditors of the Company, M/s N K Goel & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment. They have furnished a Certificate stating that their re-appointment would be within the limits specified under section 224(1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment.

### AUDITORS REPORT

The observations made by the Auditors with reference to notes on accounts for the year ended 31st March 2008 are self-explanatory.

### PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

The information required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is as under:

Name	Pradeep Gupta	Shyam Malhotra	Krishan Kant Tulshan
Designation	Chairman and Managing Director	Executive Director	Executive Director
Age	53	53	45
Remuneration	Rs. 2,898,754	Rs. 3,109,600	Rs. 2,688,000
Qualifications	B.Tech, MBA	B.Tech, MBA	B Com (Hons), FCA
Experience	26	26	21
Date of commencement of Employment	10.09.1982	01.10.1995	07.02.1997
Last Employment		Eicher Goodearth Limited	—

### ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere thanks to the valued members and associates of the Company with a special reference to the valuable services and support of The State Bank of Mysore.

The Directors would also like to express their deep sense of appreciation to all the employees who are committed to strong work ethics, excellent performance and commendable teamwork and have thrived in a challenging environment.

The Directors thank the valued customers for the continued patronage extended by them to your Company. Finally, the Directors wish to express their gratitude to the valued shareholders for their unwavering trust and support.

For and on behalf of the Board of Directors of  
Cyber Media (India) Ltd

Place: New Delhi  
Date : June 24, 2008

Pradeep Gupta      Krishan Kant Tulshan  
Chairman &              Executive Director  
Managing Director

**I. Industry Structure and Developments**

Your Company is engaged in two segments of business activity. These are:

- 1 Media
- 2 Media Services

**1. Media**

According to the PWC/FICCI report, in 2007, the Entertainment and Media (E&M) industry recorded a growth of 17% over the previous year, higher than the forecasted growth of 15% projected in the previous year. The industry reached an estimated size of Rs.513 bn in 2007, up from Rs.438 bn in 2006. In the last four years 2004-2007, the industry recorded a cumulative growth of 19% on an overall basis.

The advertising industry itself recorded a growth of 22% over the previous year and thus contributed an estimated Rs. 196 bn in 2007 as compared with Rs.161 bn in 2006. In the last four years 2004-2007, the advertising industry recorded a cumulative growth of 20% on an overall basis.

**Indian Advertising Industry**

Rs. Billion	2004	2005	2006	2007e	CAGR 2004-07
Television Advertising % Change	48.00	54.5 14%	66.2 21%	80.0 21%	20%
Print Advertising % Change	54.4	62.7 15%	78.0 24%	94.0 21%	20%
Radio Advertising % Change	2.4	3.2 33%	5.0 56%	6.2 24%	37%
Out-of-home Advertising % Change	8.5	9.0 6%	10.0 11%	12.5 25%	14%
Online Advertising % Change	0.6	1.0 67%	1.6 60%	2.7 69%	65%
Total Advertising % Change	113.9	130.4 14%	160.8 23%	196.4 22%	20%

The key trends in media consumption include:

- Growth in media audience
- Launch of new media properties
- Digitalization initiatives
- Growth of language publishing
- Increased foreign investments and international alliances
- Emergence of media conglomerates

**2. Media Services**

As per Nasscom Strategic Review 2008, continuing on its established track-record, the overall Indian IT-BPO revenue aggregate is expected to grow by over 33% and reach \$64 bn by the end of the current fiscal year (FY2008). Over the same period, direct employment in the sector is expected to reach nearly 2 million, an increase of about 375,000 professionals over the previous year. As a proportion of national GDP, the Indian technology sector revenues have grown from 1.2 % in FY1998 to an estimated 5.5% in FY2008. Net value-added by this sector, to the economy, is estimated at 3.3-3.9% for FY2008.

Contributing 64% to the overall revenue aggregate, exports remain the mainstay of the Indian IT-BPO growth story. Software and services exports, accounting for over 98% of the total exports, are expected to cross \$40 bn and directly employ nearly 1.6 mn professionals in FY2008 – a commendable achievement over just about two decades.

Content management KPO/BPO has been a growing

segment. According to ValueNotes, the Indian offshore publishing sector is projected to reach \$1.46 bn by 2010.

The Indian BPO value proposition is built around:

- Large and growing talent pool
- Keen emphasis on quality
- Enabling business environment
- Enhanced value delivery

**II. Opportunities and Threats**

**Opportunities**

- Media:
  - Migration to digital formats
  - Consolidation and integration
  - Continued content fragmentation
  - Growth in media consumption
- Media Services:
  - Inorganic growth
  - Global recession may accelerate outsourcing

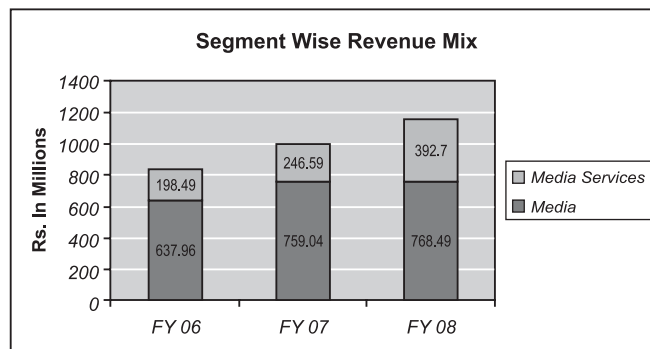
**Threats**

- Media
  - High level of competition
  - Entry of foreign media
  - Dependence of ads spend
  - Rise in paper prices
- Media Services
  - Global recession
  - Slow down of Indian economy
  - Fluctuating Rs:\$ rate

**III. Segment wise performance**

The overall revenue of the Company grew from Rs.971 mn to Rs.1130 mn. The Company continued its shift towards higher share of media services. The media services share of the total revenue rose from 24% in FY07 to 33%.

*Segment Wise Revenue Mix*



**Media:** In line with the strategy announced in the last MDA, the Company launched two new media portfolios in FY08 viz. DARE for entrepreneurs and Halsbury’s Law for the legal profession. Halsbury’s Law is a tie-up with LexisNexis, a world leader in this field. The Company also focused on its international portfolio comprising Global Services and BioSpectrum Asia, both of which have now achieved break-even. Each of these brands continued to serve their respective communities through print products, websites and face-to-face events. The media business for FY08 was Rs.768.49 mn (previous year 759.04 mn). During this year,

the Company acquired the stake of CMP Media in the joint venture CMP-CyberMedia LLC. The joint venture owned the media property Global Services.

- a. **Print:** The Company continues to remain the market leader in B2B media. It continues to maintain a strong market share as under:

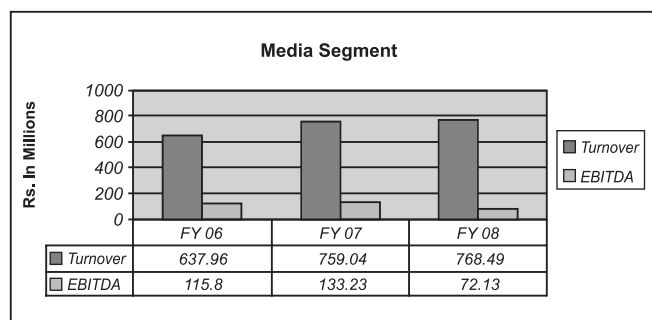
**Top Publishing Groups:**

Rank	Publication Group	% Share
1	CyberMedia	57%
2	Jasubhai Digital Media	17%
3	Infomedia Group	9%
4	EFY Enterprises	6%
5	Indian Express Group	5%
6	IQ Techmedia	3%
7	Next Gen Publishing	3%

Source:TAM/ADEX

The total number of ad pages were 6134 (6222). The Company's new print titles DARE and Halsbury's Law have been well received by the market place. The revenue was Rs.664 mn (659 mn).

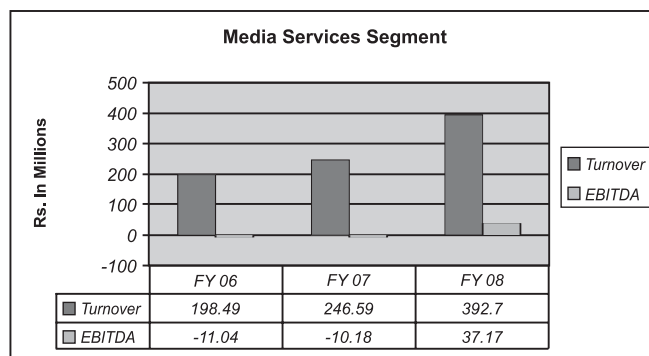
- b. **Events:** The Company now conducts over 100 events and has created some strong properties such as CEO Conclave, C-Change, Solution Provider Summit, e-Revolution, eGov Summit, SMB Forum, IT Panchayats, Telecom Durbar etc. The revenue was Rs.37 mn (30 mn).
- c. **Internet:** The network of sites drew 850,000 visitors (884,000) resulting in 27 mn (38 mn) page views. Over 300,000 surfers subscribe to various newsletters. The revenue was Rs.64 mn (70 mn).
- d. **Television:** The company launched a weekly program "India on the Move" on Doordarshan. The total revenue was Rs. 3 mn.



**Media Services:** In line with the strategy announced last year, the Company changed its media services mix, made international acquisitions and headed towards profitability of its media services business.

- a. **Content Services** – The Company acquired California based TDA Group towards the end of FY08. the company has now consolidated all its content services assets (TDA, Publication Services and CyberMedia Services) under one entity viz Content Matrix LLC. The topline for FY08 was 183 mn (52 mn). The EBITDA of this business turned positive. Also additional capacity has been built up and is functional in Noida.

- b. **Market Research** – IDC India Ltd. remains the market leader in IT and Telecom market research. The topline for FY08 was 157 mn (134 mn).
- c. **Content Distribution** – The company continues to be the exclusive representative of Encyclopedia Britannica. The revenue for FY08 was Rs.53 mn (61 mn).
- d. **Others** – Dice Inc. exited the Joint Venture that it had with CyberMedia.



**Note :** The figures given in brackets ( ) relates to previous year 2006-07.

**IV. Outlook**

The investments of the previous years will result in a strong growth in FY09. The Company expects to grow its top line by around 30%.

**1. Media**

- Company plans to launch one media property in FY09
- The existing media properties are expected to have a positive EBITDA.
- FY08 saw the Company positioning itself for a strong FY09.

**2. Media Services**

- The Company will look at additional acquisition opportunities especially in Europe.
- Re-engineering of production capabilities to align with front-end US acquisition.

**V. Risks and Concerns**

**1. Global Recession:**

Any slowdown results in reduction of advertisement spends. To mitigate this threat, the Company has reduced its dependence on ad income by growing the media services business. Also, since the Company is the market leader in its segments, it will be the last to get impacted by cuts in ad budgets.

It is also expected that the slowdown may put increased pressure on US companies to outsource which could prove to be a healthy trend for the Company's outsourcing business.

**2. Rise in Paper Prices:**

Paper prices have been moving up at a rapid pace. In anticipation of these price increases, the Company has kept higher inventories. The Company is addressing this risk through better circulation management and higher ad page realizations.



### 3. Competition:

Two international players are now in the Indian B2B media space. The Company continues to maintain its strong market share because of its close relationship with its readers.

### 4. Currency Fluctuation:

Your Company has taken no steps against currency fluctuation risks.

### VI. Internal Control Systems And Their Adequacy

The Company has adequate control procedures commensurate with its size and nature of business. The internal control systems are well documented, policies, guidelines, authorizations and approval procedures. The Company has an audit committee, which comprises three non-executive independent directors – Dr. Ashok Agarwal (Chairman), Mr. Rohit Chand and Mr. K.S. Mehta. The audit committee's observations are acted upon by the management.

### VII. Human Resources

The Company has always valued its employees. The HR department is geared towards ensuring recruitment,

retention and development of the best talent in the industry.

The Company practices various interactive sessions on Team Building, Motivation and on Stress Management to keep the employees motivated and improve their work style. The Company has also conducted various training programs across departments for enhancing the Sales, Edit and Managerial skill of the employees. The total employee strength at the end of financial year 2007-08 was 493.

### Cautionary Statements

*Certain statements in this Annual Report may be forward - looking statement. Such forward - looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Cyber Media (India) Limited will not be in anyway responsible for any action taken based on such statements and undertakes no obligations to publicly update these forward - looking statements to reflect subsequent events or circumstances.*

# COPORATE GOVERNANCE REPORT

## 1. Company's Philosophy on Code of Governance

The Company believes that in order to create wealth for all stakeholders it is imperative to adhere to the norms of good corporate governance.

The management believes that in order to be one with the corporate as well as the social environment, an enterprise must conform to ethical business principles, processes and methodologies, so as to construct a robust structure, which besides generating value for its investors ensures effective discharge of its social obligations.

## 2. Board of Directors

### (i) Composition

The Board of Directors of the Company consists of persons who are professionally sound and competent in their respective field. The Board of Directors comprises of six Directors of whom three are Executive Directors and three are Non-Executive Independent Directors.

The composition of the Board as on 31st March, 2008 is as follows:

Name	Category	Other Directorships*	Committee Membership/ Chairmanship in other companies	
			Chairman	Member
Mr. Pradeep Gupta	Promoter Chairman and Managing Director	10	—	Nil
Mr. Shyam Malhotra	Executive Director	7	—	Nil
Mr. Krishan Kant Tulshan	Executive Director	8	—	Nil
Mr. K. S. Mehta	Non-Executive Independent Director	Nil	—	Nil
Dr. Ashok Agarwal	Non-Executive Independent Director	3	—	1
Mr. Rohit Chand	Non-Executive Independent Director	5	—	4

\* Number of Directorships in other Companies excludes alternate directorships, directorships held in private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per requirement of Clause 49) across all Companies in which he is a Director.

The Constitution of the Board as well as of the various Committees of the Board conforms to the requirements of the Code of Corporate Governance.

**Brief resume of the Directors who are proposed to be re-appointed at the ensuing Annual General Meeting,** nature of their expertise in specific functional areas and names of Companies in which they hold Directorship and the membership of the Committees of the Board is as under:

a) **Mr. Shyam Malhotra** aged about 53 years has over 25 years experience in a wide variety of functional areas including marketing, systems, HRD and general management. He holds a degree in Electrical

Engineering from IIT Delhi and MBA from IIM Calcutta. He has worked for Siemens India Ltd, Tata Exports Ltd and Eicher Goodearth Ltd. in various capacities.

He is a Director in the following Companies:

CyberMedia India Online Limited, IDC (India) Limited, Cyber Media Digital Limited, Cyber Media Events Limited, Cyber Holdings Limited, Cyber Media Careers Limited and Cyber Media Services Limited.

b) **Mr. Rohit Chand** aged about 61 years has over 33 years of experience in the IT industry. He holds a B. Tech degree from IIT Delhi and MBA from Katz Graduate School of Business, University of Pittsburgh, USA. He is the founder of IIS Infotech Ltd. (now XANSA) one of the leading Software Development and IT Education Company in the Country and co-founder of several initiative including Foundation for Innovation and Technology Transfer at Indian Institute of Technology and Infinity Venture Funds-India's First Venture Fund for the IT Industry. He is the Promoter of IT&T Group of Companies – one of India's leading Engineering Design Services & BPO companies.

He is a Director in the following Companies:

IT & T Global Services Private Limited, Trak Services Private Limited, Yukti Securities Private Limited, Gyanada Software Private Limited, Gyanada Holdings Private Limited, Ikhlas Investments And Services Private Limited, Axis EU Limited, British Motor Car Co. Limited, Sumer Chand & Co. Private Limited, Madhaki Investments & Leasing Private Limited, BMC International Private Limited, Goldspot Mercantile Co. Private Limited, Bakers Circle (India) Private Limited, Plustech Merchantile Company Private Limited, Axis Infoway (India) Private Limited, Nadal Trading Company Private Limited, Khandwala Securities Limited, Axis -IT & T Limited, Sunrydge Qila Resorts Private Limited, Axis Inc., Data Graphical Limited and Axis IT Solutions Private Limited.

He is a member of Compensation Committee and Shareholders Committee at Khandwala Securities Limited and Share Transfer Committee and Investor Grievance Committee at Axis-IT&T Limited.

Mr. Rohit Chand is not holding any shares in the Company.

### (ii) Board Meetings

The Board met 6 times during the year 2007-2008 and the gap between two meetings did not exceed four months. The Meetings were held on 08.05.2007, 06.06.2007, 13.07.2007, 25.07.2007, 24.10.2007, and 24.01.2008, for which the Agenda was circulated to all the Directors well in advance.

The information as required under Annexure 1A to Clause 49 of the Listing Agreement was made available to the Board.

The Company did not have any pecuniary relationship or transactions with Non Executive Directors during 2007-2008 except for payment of sitting fees for the Board Meetings and Committee Meetings attended by them.

Attendance of Directors at the Board Meetings and Annual General Meeting:

Name of Director	No. of Board Meeting attended	Whether attended the Annual General Meeting held on August 08, 2007
Mr. Pradeep Gupta	5	Yes
Mr. Shyam Malhotra	5	No
Mr. Krishan Kant Tulshan	6	Yes
Mr. K. S. Mehta	5	No
Dr. Ashok Agarwal	4	Yes
Mr. Rohit Chand	3	No

The Board periodically reviews the compliance report of all laws applicable to the Company as well as steps taken by the Company to rectify the instances of non compliances.

### Code of Conduct

The Code of Conduct of the Company is applicable to all the Directors and Senior Management of the Company and the same is available on the website of the Company viz. cybermedia.co.in. All the Board members and senior management of the Company have affirmed compliance with the respective Code of Conduct for the financial year ended 31st March, 2008. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

### 3. Audit Committee

The Company has constituted the Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee consists of three Non-Executive Independent Directors namely Dr. Ashok Agarwal (Chairman), Mr. Rohit Chand and Mr. K.S. Mehta. The Company Secretary of the Company is the Secretary of the Committee.

The Committee met 5 times during the year 2007-2008. Meetings were held on 08.05.2007, 05.06.2007, 24.07.2007, 23.10.2007, and 23.01.2008, for which the Agenda was circulated to all members well in advance.

Attendance of the members at the Audit Committee Meetings held during the year:

Name	No. of Audit Committee Meeting attended
Dr. Ashok Agarwal	4
Mr. Rohit Chand	3
Mr. K.S. Mehta	5

The Chairman of the Audit Committee was present at the Annual General Meeting held on 08th August, 2007.

The terms of reference stipulated by the Board of Directors to the Audit Committee are, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board focusing primarily on:
  - i. Any changes in accounting policies and practices.
  - ii. Major accounting entries based on exercise of judgment by management.
  - iii. Qualifications in draft audit report.
  - iv. Significant adjustments arising out of audit.
  - v. The going concern assumption.
  - vi. Compliance with accounting standards.
  - vii. Compliance with stock exchanges and legal requirements concerning financial statements.
  - viii. Any related party transactions.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.

Further the members of Audit Committee periodically reviewed the matters as prescribed under Clause 49(II)(E) of the Listing Agreement.

### 4. Remuneration Committee

The Board of Directors of the Company has constituted the Remuneration Committee, comprising of three Non-Executive Independent Directors namely Mr. Rohit Chand (Chairman), Dr. Ashok Agarwal and Mr. K.S. Mehta.

The role of the Committee in accordance with the Listing Agreement is to determine the terms of appointment, remuneration, perquisites, pension rights and any other compensation payable to Executive Directors.

The Committee met once during the year 2007-2008 on 25.07.2007, for which proper agenda was given to all the members of Committee well in advance.

Attendance of the members in the Meeting held is as follows:

Name	Whether attended the meeting
Mr. Rohit Chand	Yes
Dr. Ashok Agarwal	Yes
Mr. K.S. Mehta	Yes

### Remuneration to Directors

The remuneration of Executive Directors has been approved by shareholders on the recommendations of the Board and Remuneration Committee. The detail of remuneration paid to Executive Directors is as under:

(in Rs.)

Particulars	Pradeep Gupta	Shyam Malhotra	Krishan Kant Tulshan
Basic	1,080,000	1,080,000	900,000
Allowances	1,689,154	1,900,000	1,680,000
Contribution to PF and other funds	129,600	129,600	108,000
Other perquisites			
<b>Total</b>	<b>2,898,754</b>	<b>3,109,600</b>	<b>2,688,000</b>
Out of the above total 'Performance linked variable component' is:	Nil	Nil	Nil

**Sitting fee paid to Non-Executive Independent Directors**

(in Rs.)

Particulars	Mr. K. S. Mehta	Dr. Ashok Agarwal	Mr. Rohit Chand
Board Meeting	10,000	4,000	4,000
Audit Committee Meetings	6,000	6,000	4,000
Shareholders Committee Meetings	4,000	N.A.	N.A.
Remuneration Committee Meetings	2,000	2,000	2,000
<b>Total</b>	<b>22,000</b>	<b>12,000</b>	<b>10,000</b>

The Company does not have any Employee Stock Option Scheme.

**5. Shareholders Committee**

The Shareholder Committee consists of two Directors namely Mr. K.S. Mehta (Chairman) and Mr. Pradeep Gupta. The Committee met 4 times during the year 2007-2008. The members of the Committee met on 06.06.2007, 25.07.2007, 24.10.2007, and 24.01.2008.

Attendance of the members at the Committee meetings held:

Name	No. of meetings attended
Mr. K.S. Mehta	4
Mr. Pradeep Gupta	4

The role of the Committee is in accordance with the Listing Agreement. It primarily includes:

- To look into complaints received from shareholders like transfer of shares, non-receipt of balance sheet, non-receipt of dividend or any other complaint.
- To look into the action taken by the Company for the redressal of grievances.

Status of investor grievances received and redressed during the year 2007-2008 is as under

Pending at the Beginning of the Year	Received during the year	Resolved during the year	Pending at the end of the year
5	69	74	0

All complaints were attended and resolved to the satisfaction of the complainants.

Ms. Shilpi Gupta, Company Secretary, is the Compliance Officer of the Company.

**6. General Body Meetings**

Venue and Time of the last three Annual General Meetings:

Date	Venue	Time	No. of Special Resolutions
08th August, 2007	Singhania Hall, PHD Chambers of Commerce, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016	10:30 A.M.	Nil
31st August, 2006	Singhania Hall, PHD Chambers of Commerce, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016	10:30 A.M.	Nil
4th August, 2005	Singhania Hall, PHD Chambers of Commerce, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016	10.30 A.M.	1

The Company has not convened any EGM during the year 2007-2008.

**Postal Ballot**

During the year under 2007-2008, the Company sought the approval of shareholder(s) by way of Postal Ballot Notice dated 8th May, 2007. The results were declared on 15th June, 2007 and the details of voting pattern for Postal Ballot are given below:

- a) Re-appointment of Mr. Pradeep Gupta as Chairman and Managing Director and approving his remuneration.

Net Valid Total Postal Forms received	Postal Ballot Forms with assent	No. of shares held by shareholders who have cast their vote in favor	Postal Ballot Forms with dissent	No. of shares held by shareholders who have cast their vote in against
135	130	7,593,032	5	580

- b) Re-appointment of Mr. Shyam Malhotra as Executive Director and approving his remuneration.

Net Valid Total Postal Forms received	Postal Ballot Forms with assent	No. of shares held by shareholders who have cast their vote in favor	Postal Ballot Forms with dissent	No. of shares held by shareholders who have cast their vote in against
136	134	7,593,632	02	480

- c) Re-appointment of Mr. Krishan Kant Tulshan as Executive Director and approving his remuneration.

Net Valid Total Postal Forms received	Postal Ballot Forms with assent	No. of shares held by shareholders who have cast their vote in favor	Postal Ballot Forms with dissent	No. of shares held by shareholders who have cast their vote in against
137	135	7,593,640	02	480

- d) Increase in authorized capital and alteration of capital clause of the Memorandum of Association.

Net Valid Total Postal Forms received	Postal Ballot Forms with assent	No. of shares held by shareholders who have cast their vote in favor	Postal Ballot Forms with dissent	No. of shares held by shareholders who have cast their vote in against
137	133	7,592,448	04	1,672

- e) Amending the Articles of Association by insertion of a clause authorizing the issue of warrants/fully convertible debentures or any other financial instrument, by the Company, which would be converted into or exchanged with equity shares at a later date.

Net Valid Total Postal Forms received	Postal Ballot Forms with assent	No. of shares held by shareholders who have cast their vote in favor	Postal Ballot Forms with dissent	No. of shares held by shareholders who have cast their vote in against
137	127	7,590,992	10	3,128

- f) Issue of warrants convertible into equity shares to the promoters on a preferential basis.

Net Valid Total Postal Forms received	Postal Ballot Forms with assent	No. of shares held by shareholders who have cast their vote in favor	Postal Ballot Forms with dissent	No. of shares held by shareholders who have cast their vote in against
137	119	3,323,881	18	5,596

The above mentioned special resolutions were passed through overwhelming 99% majority. Mr. Sanjay Grover, FCA, FCS, Practicing Company Secretary acted as scrutinizer for the process.

Till now no special resolution is proposed to be passed through postal ballot in near future.

The Company follows the procedure for Postal Ballot as per the provisions of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

## 7. Disclosures

### a. Disclosure on materially significant related party transactions:

The summary form of transactions with related parties in ordinary course of business, being carried out on arms length basis is placed before the Audit Committee periodically.

The disclosures on materially significant related party transactions are provided under the Notes to the Accounts in the financial statements.

### b. Accounting treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in the preparation of Financial Statement.

### c. Risk Management

The Company periodically rolls out a risk management

framework across the organization to ensure mitigation of risks involved in key areas. The Company will ensure that the framework will be strengthened in future.

### d. Subsidiary Company

The Company does not have any material non listed Indian Subsidiary Company and hence it is not required to appoint an Independent Director of the Company on the Board of such Subsidiary.

## 8. Means of Communication

The Company keeps on updating its shareholders about material events and plans through appropriate mode of communication. The Company has a section, on its website, dedicated to Investors. The website also displays the official news releases and the presentations made to the institutional investors or to analysts.

The quarterly results are normally published in the Financial Express/ Business Standard and Jansatta and also posted at the Company's website which is [www.cybermedia.co.in](http://www.cybermedia.co.in).

The Management Discussion and Analysis Report forms part of the Annual Report.

## 9. General Shareholder Information

### a) Twenty-Sixth Annual General Meeting

Date	September 02, 2008
Time	10:30 A.M.
Venue	Singhanian Hall, PHD Chambers of Commerce, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016
Financial Calendar	April 1 to March 31
First Quarter Results	To be published by end July
Second Quarter Results	To be published by end October
Third Quarter Results	To be published by end January
Audited Results for the year end 2008 :	To be published by end June
Date of Book Closure	August 26, 2008 – September 02, 2008 (both inclusive)
Dividend Payment Date	On or after September 08, 2008 for the year 2007-2008
Agency for electronic connectivity	Intime Spectrum Registry Limited A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi 110028

### b) Listing on Stock Exchanges

The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. The stock code is:

National Stock Exchange	CYBERMEDIA
Bombay Stock Exchange	532640/CYBERMEDIA

The Company has paid Annual Listing Fees to the BSE and NSE for the financial year 2008-2009.

**c) Market price Data**

Month	NSE		BSE	
	High	low	High	Low
April	116.90	82.10	116.70	82.20
May	132.00	108.00	130.00	101.50
June	135.90	104.00	136.00	111.20
July	120.75	102.00	134.00	92.00
August	115.00	90.00	123.00	90.00
September	113.85	87.00	120.00	87.30
October	124.80	81.00	123.00	76.10
November	99.00	82.00	96.40	85.00
December	130.00	88.30	128.45	85.10
January	124.00	81.10	125.95	70.00
February	92.00	75.10	96.80	70.00
March	84.95	51.10	88.30	58.55

**d) Registrar and Transfer Agents**

The Company has appointed In-time Spectrum Registry Limited as its Registrar and Share Transfer Agent for all work related to share registry for physical as well as demat shares.

**Intime Spectrum Registry Limited**

A-40, Second Floor,  
Naraina Industrial Area  
Phase-II, New Delhi- 110028

**Share Transfer System**

The Shareholders Committee of the Board approves the transfer of shares in the physical mode. The shares lodged for physical transfer/transmission/transposition are registered expeditiously, if the documents are complete in all respects. The Committee meets as often as required for approving share transfers and other related activities.

**Performance of Company's share in relation to NSE – Nifty****Performance of Company's share in relation to BSE - Sensex**

**e) International Securities Identification Number:  
INE278G01037**

**Shareholding Pattern as on 31st March, 2008**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
<b>A. Promoter's holding</b>			
1.	Promoters - Indian Promoters - Foreign Promoters	4,264,393	42.63
2.	Persons acting in concert	—	—
<b>Sub-Total</b>		<b>4,264,393</b>	<b>42.63</b>
<b>B. Non-Promoters holding</b>			
3.	Institutional Investors	—	—
	a. Mutual Funds and UTI b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ non-Govt. Institutions)	—	—
c.	FIs	—	—
<b>Sub-Total</b>		<b>NIL</b>	<b>NIL</b>
4.	Others		
	a. Corporate Bodies b. Indian Public c. NRIs/OCBs d. Clearing member e. HUF	1,703,580 3,663,081 4,633 13,910 351,645	17.03 36.63 0.05 0.14 3.52
<b>Sub-Total</b>		<b>5,736,849</b>	<b>57.37</b>
<b>GRAND TOTAL</b>		<b>10,001,242</b>	<b>100.00</b>

**Distribution of Shareholding as on 31st March, 2008**

Shares of Nominal value	Shareholders		Face Value of Shareholding	
	Rupees	Number	% of total	Rupees
Upto 2,500	2868	80.18	2353190	2.35
2,501 -5,000	410	11.46	1593360	1.59
5,001 -10,000	132	3.69	1106580	1.11
10,001 – 20,000	51	1.43	737710	0.74
20,001 -30,000	22	0.61	578970	0.58
30,001 – 40,000	16	0.45	559690	0.56
40,001 – 50,000	12	0.33	561250	0.56
50,001 -1,00,000	17	0.48	1309230	1.31
1,00,001 & Above	49	1.37	91212440	91.20
<b>Total</b>	<b>3,577</b>	<b>100.00</b>	<b>10,00,12,420</b>	<b>100.00</b>

As on 31st March, 2008, 9,865,106 shares comprising 98.65% of the Share Capital of the Company were in demat mode.

**Dematerialization of shares and liquidity**

The Company's shares are in compulsory demat segment and can be traded in the depository system of both NSDL and CDSL. As on 31st March, 2008, 9,865,106 shares comprising 98.65% of the Share Capital of the Company were in demat mode.

**Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion data and likely impact on equity:** The Company had allotted 1,000,124 Warrants convertible into equity shares to the promoters on preferential basis on 13th July, 2007.

**f) Address for Correspondence**

**Ms. Shilpi Gupta**

Compliance Officer and Company Secretary

Cyber House

**Cyber Media (India) Limited**

B-35, Sector-32, Institutional Area

Gurgaon, Haryana 122002

Tel: +91(124) 2384816, 4031234, Fax: +91(124) 2380694

Email: shilpig@cybermedia.co.in

Website: cybermedia.co.in

**Declaration by CEO under Clause 49 of the Listing Agreement regarding adhering to the Code of Conduct:**

In accordance with clause 49(1)(D) of the Listing Agreement with the stock exchange, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance to their respective Code of Conducts, as applicable to them for the financial year ended 31st March, 2008.

**For Cyber Media (India) Ltd.**

**Pradeep Gupta  
Chairman and Managing Director**

**Auditor's Certificate on Compliance with conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

To

Members of Cyber Media (India) Limited

We have examined the compliance of conditions of corporate governance by Cyber Media (India) Limited for the year ended on March 31, 2008, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N K Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel  
Proprietor

New Delhi,  
Dated : June 24, 2008

Membership Number: 500-16570

## CYBER MEDIA (INDIA) LIMITED

### STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

Sl. No.	Name of the subsidiary companies	Extent of interest in the subsidiary at the end of financial year of the company			The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of the holding company:		
		Subsidiaries financial year ended on	No of shares held	% of total paid-up capital/ (Ownership Interest)	Not Dealt with in the company's accounts	Dealt with in the company's accounts	For the prev. financial years since it became the holding company's subsidiary
1	CYBER MEDIA DIGITAL LTD Shares of Rs. 10 each fully paid	31.03.2008	100,070	100	For the period ended 31.03.2008	For the previous financial years since it became the holding company's subsidiary	For the prev. financial years since it became the holding company's subsidiary
2	CYBER MEDIA INDIA ONLINE LTD Shares of Rs. 1 each fully paid	31.03.2008	11,435,700	91.95	982,389	10,986,966	1,350,945
3	IDC(INDIA) LTD Shares of Rs. 10 each fully paid	31.03.2008	150,000	100	4,747,320	5,733,147	—
4	CYBER MEDIA EVENTS LTD Shares of Rs. 10 each fully paid (Formerly known as Cyber Expo Ltd.)	31.03.2008	50,070	100	11,970,555	30,977,969	4,950,000
5	CYBER HOLDINGS LTD Shares of Rs. 10 each fully paid	31.03.2008	50,070	100	518,433	2,913,507	100,140
6	CYBER MEDIA SERVICES LTD Shares of Rs. 10 each fully paid	31.03.2008	89,950	99.94	(43,859)	(9,107)	—
7	CYBER MEDIA SINGAPORE PTE LTD. Shares of SG\$ 1 each paid up	31.03.2008	30,000	100	(562)	(626,713)	—
8	CYBER MEDIA INDIA LLC	31.03.2008	N.A	100	(870,000)	(54,444)	—
9	TDA GROUP LLC	31.03.2008	N.A	100	3,387,586	—	—
10	PUBLICATION SERVICES INC.	31.03.2008	N.A	49	611,984	—	—
11	CONTENT MATRIX LLC	31.03.2008	N.A	100	—	—	—

Date : 24th June, 2008  
Place : New Delhi

Krishan Kant Tulshian  
Director

Pradeep Gupta  
Managing Director

Shilpi Gupta  
Company Secretary



**CYBER MEDIA (INDIA) LIMITED**  
**DETAILS OF SUBSIDIARY COMPANIES (2007-08)**

	(Rs. in Million)										
	ICD (India) Limited	Cyber Media India Online Limited	Cyber Media Digital Limited	Cyber Media Events Limited	Cyber Media Holdings Limited	Cyber Media Services Limited	Cyber Media Singapore Pte Limited	Cyber Media India LLC	TDA Group LLC	Publication Services Inc	Content Matrix LLC
(a) <b>Capital</b>	1.50	12.44	1.00	0.50	0.50	0.90	0.84	128.83	171.36	6.36	—
(b) <b>Reserves &amp; Surplus</b> (Adjusted for debit balance in Profit & Loss Account where applicable)	<b>42.95</b>	<b>11.40</b>	<b>11.97</b>	<b>3.43</b>	<b>(0.05)</b>	<b>79.58</b>	<b>(3.96)</b>	<b>(0.52)</b>	<b>2.73</b>	<b>0.89</b>	—
(c) <b>Total Assets</b> (Fixed Assets + Current Assets)	89.25	49.23	42.99	4.85	0.51	80.50	22.23	16.44	255.86	55.64	—
(d) <b>Total Liabilities</b> (Debts + Current Liabilities)	44.92	25.41	30.02	0.91	0.06	0.02	25.36	157.56	81.77	48.39	—
(e) <b>Details of Investments</b> (Except in case of investments in subsidiaries)	0.13	0.01	—	—	—	—	—	269.43	—	—	—
(f) <b>Turnover</b> (Including Other Income)	157.79	63.73	53.24	13.60	—	—	16.08	9.34	14.42	131.85	—
(g) <b>Profit before Taxation</b>	<b>19.76</b>	<b>7.51</b>	<b>1.78</b>	<b>0.67</b>	<b>(0.04)</b>	<b>(0.00)</b>	<b>(3.34)</b>	<b>(0.87)</b>	<b>3.39</b>	<b>1.25</b>	—
(h) <b>Provision for Taxation</b>	7.79	2.35	0.80	0.15	—	—	(0.01)	—	—	—	—
(i) <b>Profit after Taxation</b>	11.97	5.16	0.98	0.52	(0.04)	(0.00)	(3.33)	(0.87)	3.39	1.25	—
(j) <b>Proposed Dividend</b> (including dividend tax)	—	—	—	—	—	—	—	—	—	—	—

**Notes:**

# The financial statements of the foreign subsidiaries have been converted into Indian Rupees on the basis of appropriate exchange rates.

Cyber Media Singapore Pte Ltd 1SGD = Rs.28.14

Cyber Media India LLC I USD = Rs.39.97

TDA Group LLC 1USD = Rs.39.97

Publication Services Inc 1 USD = Rs.39.97

The Ministry of Company Affairs, Government of India vide its letter dated 07.07.2008 has granted approval under Section 212(8) of the Companies Act, 1956 for the financial year ended on 31.03.2008 whereby the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report of the subsidiaries and other documents required to be attached under Section 212(1) of the Act are not required to be attached to the Company's Accounts. Hence, the same are not being attached. However, the annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor in its Head Office and that of the subsidiary companies concerned.

From  
N K Goel & Co.  
Chartered Accountants  
32 Regal Buildings  
Parliament Street  
New Delhi 110 001

To

The Members of  
Cyber Media (India) Limited  
New Delhi

- 1) We have audited the attached Balance Sheet of Cyber Media (India) Limited as at 31<sup>st</sup> March, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008;
    - ii) In the case of the Profit and Loss Account of the profit for the year ended on that date; and
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For N K Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel  
Proprietor  
Membership Number: 500-16570

New Delhi,  
Dated : June 24, 2008

# ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in the auditors' report to the members of Cyber Media (India) Limited (the Company) for the year ended March 31, 2008. We report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets are physically verified by the management according to a phased programme designed to cover the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted unsecured loans of Rs. 52,08,083/- (including interest) to Companies covered in the register maintained under Section 301 of the Companies Act, 1956, as detailed below:

Relationship	Associate
Name	Cyber Astro Limited
Closing Balance at the end of the year (Rs.)	5,208,083
Maximum amount due at any time during the year (Rs)	5,208,083

In our opinion the rate of interest and other terms and conditions on which loans have been granted to Companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

In respect of loans granted, the receipt of principal amounts and interests are as stipulated and, thus, clause (iii) (d) of paragraph 4 of the Order is not applicable to the Company.

The Company has not taken any loan from Companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act,

1956. Thus, clause (iii) (e), (iii) (f), (iii) (g) of paragraph 4 of the Order is not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and sale of publications and other allied services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) In our opinion, and according to the information and explanations given to us, the particulars of contracts and arrangements which need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered and the transaction made in pursuance of such contracts or arrangement have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of any cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.
- (ix) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, and other statutory dues applicable to it and there are no statutory dues which were outstanding, as at 31st March, 2008 for a period of more than six months from the date they become payable.  
According to the information and explanation given to us and the records of the Company examined by us there are no dues of sales tax, income-tax, custom duty, wealth tax, service tax, excise duty, cess or any other statutory dues as at March 31, 2008 which have not been deposited on account of dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is neither a chit fund Company nor a nidhi Company or a mutual benefit Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) Based on information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to Companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956. However, on July 13, 2007 the Company had allotted 1,000,124 warrants convertible into an equal number of equity shares at a later date to the promoters of the Company, pursuant to a special resolution of the shareholders passed by way of postal ballot on June 15, 2007. The Company has received an amount equal to 10% of the total amount payable on such warrants from the promoters. The amount has been utilized in accordance with the objects of the issue and there has been no material variation. However, the option to convert warrants into shares is yet to be exercised by the promoters.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For N K Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel  
Proprietor  
Membership Number: 500-16570

New Delhi,  
Dated : June 24, 2008

**CYBER MEDIA (INDIA) LIMITED**  
BALANCE SHEET AS AT 31st MARCH 2008

*(all figures in INR)*

	Schedule No.		As at 31st March 2008	As at 31st March 2007
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	100,012,420		100,012,420
Share Warrants		11,285,726		—
Reserves and Surplus	2	<u>275,664,255</u>		<u>272,404,258</u>
			<b>386,962,401</b>	372,416,678
<b>Loan Funds</b>				
Secured Loans	3	215,070,242		160,446,330
Unsecured Loans	4	<u>3,025,000</u>		<u>350,000</u>
			<b>218,095,242</b>	160,796,330
			<b>18,499,000</b>	22,679,000
<b>Deferred Tax Liabilities</b>				
<b>Total</b>			<b><u>623,556,643</u></b>	<u>555,892,008</u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	260,809,058		238,811,086
Less: Depreciation		<u>94,458,069</u>		<u>72,495,759</u>
Net Block		166,350,989		166,315,327
Capital Work-in-Progress		<u>79,311</u>		<u>79,311</u>
			<b>166,430,300</b>	166,394,638
			<b>276,974,038</b>	162,124,463
<b>Investments</b>				
<b>Current Assets, Loans and Advances</b>				
Inventories	7	16,726,760		6,727,700
Sundry Debtors	8	163,306,699		229,796,976
Cash & Bank Balances	9	14,349,288		3,920,064
Loans & Advances	10	<u>34,833,372</u>		<u>37,656,230</u>
		229,216,119		278,100,970
<b>Less: Current Liabilities and Provisions</b>				
Current Liabilities	11	58,280,597		79,741,312
Provisions	12	<u>21,306,704</u>		<u>12,546,925</u>
		79,587,301		92,288,237
<b>Net Current Assets</b>			<b>149,628,818</b>	185,812,733
<b>Miscellaneous Expenditure</b>	13		<b><u>30,523,487</u></b>	<u>41,560,174</u>
<b>Total</b>			<b><u>623,556,643</u></b>	<u>555,892,008</u>
<b>Significant Accounting Policies</b>	19			
<b>Notes to the Accounts</b>	20			
<b>Balance Sheet Abstract and Company's</b>	21			
<b>General Business Profile</b>				

Schedules referred above form an integral part of this Balance Sheet

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel (Membership No. 500-16570)  
Proprietor

New Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing Director

Krishan Kant Tulshan  
Executive Director

Shilpi Gupta  
Company Secretary

**CYBER MEDIA (INDIA) LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008**

(all figures in INR)

	Schedule No.		Year Ended 31st March 2008	Year Ended 31st March 2007
<b>INCOME</b>				
Sales and Services Income		691,900,945		669,825,828
Other Income	14	<u>10,158,021</u>	<b>702,058,966</b>	<u>12,623,542</u>
				682,449,370
<b>EXPENDITURE</b>				
Direct Expenses	15	372,957,998		349,167,779
Personnel Expenses	16	151,752,362		136,168,455
Other Expenses	17	<u>97,904,216</u>	<b>622,614,576</b>	<u>99,203,715</u>
				584,539,949
<b>Earnings before Interest, Tax, Depreciation &amp; Amortization</b>				
Financial Expenses	18	21,748,744	<b>79,444,390</b>	97,909,421
Depreciation and Amortization	5	<u>22,367,351</u>		<u>13,521,667</u>
			<b>44,116,095</b>	16,858,169
				30,379,836
<b>Profit Before Tax</b>				
<b>Provision for Taxes</b>				
Current Tax		11,000,000		20,000,000
Deferred Tax		541,159		2,050,000
Fringe Benefit Tax		2,150,000		2,500,000
Wealth Tax		28,040		—
Tax - earlier years		<u>743,355</u>		—
			<b>14,462,554</b>	<u>24,550,000</u>
<b>Profit After Tax</b>				
Balance brought forward			<b>20,865,741</b>	42,979,585
			<b>4,274,502</b>	495,870
Available for appropriations			<b>25,140,243</b>	<u>43,475,455</u>
<b>Appropriations</b>				
General Reserve			<b>9,168,690</b>	27,500,000
Proposed Dividend			<b>5,000,621</b>	10,001,242
Dividend Tax			<b>849,856</b>	1,699,711
Balance carried forward			<b>10,121,076</b>	4,274,502
			<b>25,140,243</b>	<u>43,475,455</u>
<b>Earnings Per Share</b>				
Equity Share of par value of Rs. 10/- each				
<b>Before extraordinary items</b>				
Basic			<b>2.09</b>	4.30
Diluted			<b>1.95</b>	4.30
<b>After extraordinary items</b>				
Basic			<b>2.09</b>	4.30
Diluted			<b>1.95</b>	4.30
<b>Number of shares used in computing earnings per share</b>				
Basic			<b>10,001,242</b>	10,001,242
Diluted			<b>10,719,910</b>	10,001,242
<b>Significant Accounting Policies</b>				
<b>Notes to the Accounts</b>				
<b>Balance Sheet Abstract &amp; Company's General Business Profile</b>				
	19			
	20			
	21			

Schedules referred above form an integral part of this Profit and Loss Account

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered AccountantsNeeraj Kumar Goel (Membership No. 500-16570)  
ProprietorNew Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing DirectorKrishan Kant Tulshan  
Executive DirectorShilpi Gupta  
Company Secretary

**CYBER MEDIA (INDIA) LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008**

*(all figures in INR)*

	<b>As at 31st March 2008</b>	<b>As at 31st March 2007</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	<b>35,328,296</b>	67,529,585
Adjustments for:		
Depreciation and Amortization	22,367,351	16,858,169
Difference in foreign exchange	1,740,017	9,965
Deferred Revenue Expenditure	8,450,111	8,450,110
Loss on sale of assets	706,785	215,736
Employee Benefits	1,566,407	—
Interest Income	(1,924,076)	(3,149,514)
Dividend Income	—	(1,500,000)
Interest Expense	20,585,154	12,198,464
	<b>53,491,749</b>	<b>33,082,930</b>
<b>Operating Profit before Working Capital Changes</b>	<b>88,820,045</b>	100,612,515
Adjustments for:		
(Increase) Decrease in Inventories	(9,999,060)	4,527,058
(Increase) Decrease in Debtors	66,490,275	(75,690,533)
(Increase) Decrease in Loans & Advances	14,412,281	2,925,434
(Decrease) Increase in Current Liabilities	(21,460,745)	24,441,449
	<b>49,442,751</b>	<b>(43,796,592)</b>
<b>Cash Generated from Operations</b>	<b>138,262,796</b>	56,815,923
Income tax paid	<b>(26,356,790)</b>	(22,281,452)
<b>Net Cash from Operating Activities</b>	<b>111,906,006</b>	<b>34,534,471</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Inflows:</b>		
Sale of fixed assets	903,242	1,219,563
Interest received	1,924,076	3,149,514
Dividend received	—	1,500,000
	<b>2,827,318</b>	5,869,077
<b>Outflows:</b>		
Acquisition of fixed assets	24,013,040	62,432,180
Purchase of investments	114,849,575	38,277,507
	<b>138,862,615</b>	100,709,687
<b>Net Cash from Investing Activities</b>	<b>(136,035,297)</b>	<b>(94,840,610)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Inflows:</b>		
Proceeds from Share warrants to be issued	11,285,726	—
Proceeds from Secured Loans	54,623,912	77,895,545
Proceeds from Unsecured Loans	2,675,000	—
	<b>68,584,638</b>	77,895,545
<b>Outflows:</b>		
Dividend Paid (Including dividend tax)	11,700,953	11,403,916
Interest Paid	20,585,154	12,198,464
	<b>32,286,107</b>	23,602,380
<b>Net Cash from Financing Activities</b>	<b>36,298,531</b>	<b>54,293,165</b>

<i>(all figures in INR)</i>		
	<b>As at 31st March 2008</b>	<b>As at 31st March 2007</b>
<b>D. EXCHANGE DIFFERENCE IN FOREIGN CURRENCY</b>	<b><u>(1,740,017)</u></b>	<b><u>(9,965)</u></b>
Net (Decrease) / Increase in Cash & Cash Equivalents	<b>10,429,223</b>	<b>(6,022,939)</b>
Opening Cash & Cash Equivalents	<b>3,920,064</b>	<b>9,943,003</b>
Closing Cash & Cash Equivalents	<b><u>14,349,287</u></b>	<b><u>3,920,064</u></b>

**Notes to the Cash Flow Statement:**

1. The cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3.
2. Cash flows have been reported using the indirect method, whereby the net profit is adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments, segregated between cash flows.
3. Significant cash and cash equivalents balances held by the Company are available for its use.

This is the Cash Flow Statement referred to in our report of even date

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel (Membership No. 500-16570)  
Proprietor

New Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing Director

Krishan Kant Tulshan  
Executive Director

Shilpi Gupta  
Company Secretary



**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008**

*(all figures in INR)*

	As at 31st March 2008	As at 31st March 2007
<b>SCHEDULE 1 SHARE CAPITAL</b>		
<b>Authorized</b>		
12,500,000 (11,000,000) Equity Shares of Rs. 10/- each	<u>125,000,000</u>	<u>110,000,000</u>
<b>Issued, Subscribed, Called and Paid Up</b>		
3,815,304 (3,815,304) Equity Shares of Rs. 10/- each, fully paid up in cash	<u>38,153,040</u>	<u>38,153,040</u>
6,185,938 (6,185,938) Equity Shares of a Rs. 10/- each, fully paid up issued as bonus shares by capitalization of reserves	<u>61,859,380</u>	<u>61,859,380</u>
<b>Total</b>	<u><u>100,012,420</u></u>	<u><u>100,012,420</u></u>
<b>SCHEDULE 2 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last Balance Sheet	138,129,756	140,716,333
Less:		
IPO expenses written off	<u>2,586,577</u>	<u>2,586,577</u>
	<b>135,543,179</b>	138,129,756
<b>General Reserve</b>		
As per last Balance Sheet	130,000,000	102,500,000
Transferred from Profit & Loss Account	<u>9,168,690</u>	<u>27,500,000</u>
	139,168,690	130,000,000
Less:		
Provision for earlier years of employee benefits as per AS - 15 (net of deferred tax of Rs. 4,721,160/-)	<u>9,168,690</u>	<u>—</u>
	<b>130,000,000</b>	130,000,000
Profit & Loss Account	<u>10,121,076</u>	<u>4,274,502</u>
<b>Total</b>	<u><u>275,664,255</u></u>	<u><u>272,404,258</u></u>
<b>SCHEDULE 3 SECURED LOANS*</b>		
<b>Loans and Advances from Banks</b>		
Term Loans**	<u>125,865,918</u>	75,391,063
Cash Credit	<u>87,885,202</u>	<u>83,150,624</u>
	<b>213,751,120</b>	158,541,687
<b>Loans and Advances from Others</b>		
Term Loans***	<u>1,319,122</u>	<u>1,904,643</u>
<b>Total</b>	<u><u>215,070,242</u></u>	<u><u>160,446,330</u></u>
* Secured by charge over certain assets of the Company (see note 1 of schedule 20)		
** Payable within one year	<b>53,731,622</b>	12,245,639
*** Payable within one year	<b>625,439</b>	1,381,608
<b>SCHEDULE 4 UNSECURED LOANS</b>		
<b>Other Loans and Advances</b>		
Security Deposits	<u>175,000</u>	<u>—</u>
Sundry Parties	<u>2,850,000</u>	<u>350,000</u>
<b>Total</b>	<u><u>3,025,000</u></u>	<u><u>350,000</u></u>

**CYBER MEDIA (INDIA) LIMITED**  
SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008

**SCHEDULE 5  
FIXED ASSETS**

Description	Gross Block			Depreciation/Amortization			Net Block			
	As at 1.04.07	Additions	Deductions	As at 31.03.08	Upto 31.03.07	For the year	Deductions/ Adjustments	Upto 31.3.08	As at 31.03.08	As at 31.03.07
Land Freehold	4,035,756	—	—	4,035,756	—	—	—	—	4,035,756	4,035,756
Buildings Freehold	23,698,473	8,588,153	—	32,286,626	6,849,247	542,947	—	7,392,194	24,894,432	16,849,226
Capitalized Software	13,186,699	2,133,840	—	15,320,539	4,788,145	1,464,481	—	6,252,626	9,067,913	8,398,554
Computers	51,945,265	4,928,124	—	56,873,389	38,625,695	8,808,974	—	47,434,669	9,438,720	13,319,570
Furniture & Fixtures	37,274,820	675,163	—	37,949,983	5,030,440	2,398,329	—	7,428,769	30,521,214	32,244,380
Equipments & Installations	20,936,523	1,903,183	—	22,839,706	4,863,517	1,024,902	—	5,888,419	16,951,287	16,073,006
Air Conditioners	11,024,564	619,300	—	11,643,864	1,545,868	540,892	—	2,086,760	9,557,104	9,478,696
Generator	2,056,048	1,989,674	—	4,045,722	403,256	164,114	—	567,370	3,478,352	1,652,792
Vehicles	22,310,507	3,166,030	2,015,068	23,461,469	10,129,669	2,207,697	405,041	11,932,325	11,529,144	12,180,838
Books	340,345	9,573	—	349,918	220,743	14,806	—	235,549	114,369	119,602
Trademarks	250,000	—	—	250,000	25,000	25,000	—	50,000	200,000	225,000
Commercial Rights	51,752,086	—	—	51,752,086	14,179	5,175,209	—	5,189,388	46,562,698	51,737,907
Total	238,811,086	24,013,040	2,015,068	260,809,058	72,495,759	22,367,351	405,041	94,458,069	166,350,989	166,315,327
Previous Year	178,110,823	62,352,869	1,652,606	238,811,086	55,854,897	16,858,169	217,307	72,495,759	166,315,327	122,255,926

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008**

*(all figures in INR)*

	<b>As at 31st March 2008</b>	<b>As at 31st March 2007</b>
<b>SCHEDULE 6 INVESTMENTS</b>		
<b>Long Term</b>		
Trade - Unquoted		
Cyber Media Careers Limited (formerly Cyber Media Dice Careers Limited) 4,462,399 (4,462,399) Equity Shares of Rs. 10/- each fully paid up	44,623,990	44,623,990
Cyber Media Foundation Limited 250,000 (250,000) Equity Shares of Rs. 10/- each fully paid up	2,500,000	2,500,000
Share Application Money	1,350,000	1,350,000
	<hr/>	<hr/>
	3,850,000	3,850,000
Academic Coaching Partner Inc. 70,000 (70,000) fully paid and non assessable shares without par value	1,589,350	1,589,350
Cyber Astro Limited 75,000 (75,000) Equity Shares of Rs. 10/- each fully paid up	750,000	750,000
	<hr/>	<hr/>
	<b>50,813,340</b>	50,813,340
Subsidiary Companies - unquoted		
Cyber Media India Online Limited (formerly Cyber India Online Limited) 11,435,700 (11,435,700) Equity Shares of Rs. 10/- each fully paid up	12,497,600	12,497,600
IDC (India) Limited 150,000 (150,000) Equity Shares of Rs. 10/- each fully paid up	1,500,000	1,500,000
Cyber Media Digital Limited (formerly Cyber Multimedia (India) Limited) 100,070 (100,070) Equity Shares of Rs. 10/- each fully paid up	1,000,700	1,000,700
Cyber Media Events Limited (formerly Cyber Expo Limited) 50,070 (50,070) Equity Shares of Rs. 10/- each fully paid up	500,700	500,700
Cyber Media Services Limited 89,950 (Nil) Equity Shares of Rs. 10/- each fully paid up	80,499,500	—
Cyber Holdings Limited 50,070 (50,070) Equity Shares of Rs. 10/- each fully paid up	500,700	500,700
Cyber Media Singapore Pte. Limited 30,000 (30,000) Equity Shares of S\$ 1/- each fully paid up	836,400	836,400
Cyber Media India LLC Representing 100% ownership interest	128,825,098	94,475,023
	<hr/>	<hr/>
	<b>226,160,698</b>	111,311,123
<b>Total</b>	<b>276,974,038</b>	162,124,463
	<hr/>	<hr/>
Aggregate face value of Unquoted Investments	<b>194,962,138</b>	159,712,563

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008**

(all figures in INR)

	As at 31st March 2008	As at 31st March 2007
<b>SCHEDULE 7 INVENTORIES</b>		
Newsprint	16,726,760	6,727,700
<b>Total</b>	<u>16,726,760</u>	<u>6,727,700</u>
<b>SCHEDULE 8 SUNDRY DEBTORS</b>		
Unsecured but considered good for recovery by the management		
Debts exceeding six months	16,209,443	8,214,438
Other Debts	147,097,256	221,582,538
<b>Total</b>	<u>163,306,699</u>	<u>229,796,976</u>
<b>SCHEDULE 9 CASH AND BANK BALANCES</b>		
Cash on hand	536,366	588,092
Bank Balances:		
With Scheduled Banks:		
— Current Accounts	3,028,921	2,716,472
— Deposit Accounts	10,675,500	615,500
— Interest Accrued but Not Due	108,501	—
<b>Total</b>	<u>13,812,922</u>	<u>3,331,972</u>
<b>Total</b>	<u>14,349,288</u>	<u>3,920,064</u>
<b>SCHEDULE 10 LOANS AND ADVANCES</b>		
Unsecured but considered good for recovery by the management		
Loan to Subsidiaries	4,485,048	19,100,003
Loan to Others	5,208,083	6,883,216
Advances recoverable in cash or in kind or for value to be received	6,965,740	6,814,861
Security Deposits	6,585,078	4,858,150
Prepaid taxes, net of provisions	11,589,423	—
<b>Total</b>	<u>34,833,372</u>	<u>37,656,230</u>
<b>SCHEDULE 11 CURRENT LIABILITIES</b>		
Sundry Creditors	54,361,225	77,331,179
Advance payments for which value still to be given	3,919,372	2,410,133
<b>Total</b>	<u>58,280,597</u>	<u>79,741,312</u>
<b>SCHEDULE 12 PROVISIONS</b>		
For taxation, net of advance payments	—	845,972
For Proposed Dividends	5,000,621	10,001,242
For Dividend Tax	849,856	1,699,711
For Employee Benefits	15,456,227	—
<b>Total</b>	<u>21,306,704</u>	<u>12,546,925</u>

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008**

*(all figures in INR)*

	<b>As at 31st March 2008</b>	<b>As at 31st March 2007</b>
<b>SCHEDULE 13 MISCELLANEOUS EXPENDITURE</b>		
To the extent not written off and / or adjusted		
Deferred Revenue Expenditure	<b>25,350,333</b>	33,800,444
Public Issue Expenses	<b>5,173,154</b>	7,759,730
<b>Total</b>	<b><u>30,523,487</u></b>	<u>41,560,174</u>

**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

*(all figures in INR)*

	<b>Year Ended 31st March 2008</b>	<b>Year Ended 31st March 2007</b>
<b>SCHEDULE 14 OTHER INCOME</b>		
Dividend from Subsidiary Companies	—	1,500,000
Rentals	<b>5,086,125</b>	4,680,000
Interest on Loans to Subsidiaries	<b>1,271,812</b>	2,566,423
Interest on Loans to Others	<b>547,956</b>	583,091
Interest on Fixed Deposits - Gross	<b>104,308</b>	—
Miscellaneous Income	<b>3,147,820</b>	3,294,028
<b>Total</b>	<b><u>10,158,021</u></b>	<u>12,623,542</u>
Tax Deducted at Source - Interest	<b>433,260</b>	698,865
Tax Deducted at Source - Others	<b>1,153,243</b>	925,482
<b>SCHEDULE 15 DIRECT EXPENSES</b>		
Consumption of Newsprint		
Opening Stock	<b>6,727,700</b>	11,254,759
Add: Purchases	<b>41,878,772</b>	25,386,165
	<b>48,606,472</b>	36,640,924
Less : Closing Stock	<b>16,726,760</b>	6,727,700
	<b>31,879,712</b>	29,913,224
Content Expenses	<b>99,796,435</b>	53,362,491
Discount/Commission on Sales & Services	<b>154,642,744</b>	188,857,232
Packing & Despatch	<b>26,980,396</b>	21,464,217
Printing & Processing	<b>59,658,711</b>	55,570,615
<b>Total</b>	<b><u>372,957,998</u></b>	<u>349,167,779</u>
<b>SCHEDULE 16 PERSONNEL EXPENSES</b>		
Salaries, Bonus & Allowances	<b>138,555,880</b>	125,401,559
Contribution to Provident and Other Funds	<b>6,581,886</b>	6,054,520
Staff Welfare	<b>5,580,937</b>	3,880,024
Staff Recruitment & Training	<b>1,033,659</b>	832,352
<b>Total</b>	<b><u>151,752,362</u></b>	<u>136,168,455</u>

**CYBER MEDIA (INDIA) LIMITED****SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008***(all figures in INR)*

	<b>Year Ended 31st March 2008</b>	<b>Year Ended 31st March 2007</b>
<b>SCHEDULE 17 OTHER EXPENSES</b>		
Rent	<b>7,378,059</b>	4,972,589
Rates & Taxes	<b>550,485</b>	484,520
Printing & Stationary	<b>3,711,141</b>	3,532,857
Correspondence & Communication	<b>10,406,617</b>	13,148,235
Travelling & Conveyance	<b>24,458,438</b>	27,041,365
Vehicle Running & Maintenance	<b>2,760,358</b>	2,835,800
Insurance	<b>227,380</b>	324,321
Electricity & Water	<b>3,889,754</b>	3,798,285
Repair & Maintenance - Building	<b>837,735</b>	450,913
Repair & Maintenance - Plant & Machinery	<b>1,991,249</b>	1,444,885
Repair & Maintenance - Others	<b>1,077,169</b>	1,194,012
Lease Rentals / Hire Charges	<b>455,683</b>	283,968
Directors Fees	<b>44,000</b>	60,000
Legal & Professional Charges	<b>6,088,745</b>	7,928,673
Remuneration to Statutory Auditors	<b>84,280</b>	89,085
Newspaper, Books & Periodicals	<b>1,005,458</b>	736,833
Miscellaneous Expenses	<b>6,322,532</b>	6,775,478
Advertisement & Publicity	<b>24,168,331</b>	23,876,195
Exchange Rate Difference (Net)	<b>1,740,017</b>	9,965
Loss on sale of assets	<b>706,785</b>	215,736
<b>Total</b>	<b><u>97,904,216</u></b>	<b><u>99,203,715</u></b>
<b>SCHEDULE 18 FINANCIAL EXPENSES</b>		
Interest on Bank Term Loan	<b>9,377,868</b>	4,597,771
Interest on Cash Credit Facility	<b>10,559,705</b>	7,246,128
Interest on Other Loans	<b>647,581</b>	354,565
	<b><u>20,585,154</u></b>	<b><u>12,198,464</u></b>
Financial Charges	<b>1,163,590</b>	1,323,203
<b>Total</b>	<b><u>21,748,744</u></b>	<b><u>13,521,667</u></b>

## SCHEDULE 19

### Statement of Significant Accounting Policies

The significant accounting policies adopted by the Company in respect of these financial statements, are set out below

#### 1) Basis of Preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India and pronouncements of the Institute of Chartered Accountants of India. These financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2008. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The management evaluates all recently issued or revised accounting standards on an ongoing basis.

#### 2) Revenue Recognition

Revenues of all material items and nature are recognized in accordance with Accounting Standard – 9, i.e., at the time of rendering of services or sales. If at the time of rendering of services or sales there is significant uncertainty in ultimate collection of the revenue, then the revenue recognition is postponed and in such cases revenue is recognized only when it becomes reasonably certain that ultimate collection will be made. When uncertainty of collection of revenue arises subsequently after the revenue recognition, provision for the uncertainty in collection is made rather than adjustment in revenue already recognized.

#### 3) Fixed Assets, Intangible Assets and Capital Work-In-Progress

Fixed Assets are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready to use. Capital work-in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

#### 4) Depreciation/ Amortization

Depreciation is provided on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956 on all the assets. Intangible Assets are amortized in accordance with Accounting Standard 26 on "Intangible Assets".

Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for less than Rs. 5,000/-) are entirely depreciated in the year of acquisition.

#### 5) Investments

Trade Investments are the investments made to enhance the Company's business interests. Investments are either classified as current and long-term based on the

management intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

#### 6) Inventory

Inventory of Newsprint, goods in transit are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First In First Out', 'Average cost', or 'Specific Identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### 7) Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the exchange rate prevailing at the date of transaction. Monetary items are restated at year-end foreign exchange rates. Resultant exchange differences arising on payment or conversion of liabilities are recognized as income or expense in the year in which they arise.

#### 8) Retirement Benefits

- a) Company's contribution to the Employees' Provident Fund is charged to the profit and loss account each year.
- b) Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered is recognised on undiscounted basis.
- c) Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss account as income or expense.
- d) Gratuity and Leave encashment are provided for on the basis of an actuarial valuation using projected unit credit method (PUCM).

#### 9) Taxation

Income tax is computed using the tax effect accounting method; where income tax is accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provision is also recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognized only if there is reasonable or virtual certainty that they will be realized

and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### **10) Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as a part of the cost of that asset. A qualifying asset is one, which takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **11) Impairment of Assets**

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less cost to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash generating units).

#### **12) Earnings Per Share**

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional items. The number of shares used in computing basic earnings per share is the weighted

average number of shares outstanding during the period. The number of shares used in computing Diluted EPS comprises weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

#### **13) Provisions**

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

#### **14) Deferred Revenue Expenditure**

Deferred Revenue Expenditure represents new projects implementation cost to be amortized over a period of 60 months or earlier equally, commencing from the month of commencement of commercial activities of the project.

#### **15) Initial Public Offering (IPO) Expenses**

Public Issue Expenses are written off from share premium account as per section 78(2) (c) of the Companies Act, 1956 in five equal accounting year commencing with the year of listing of equity share on the designated stock exchange.

#### **16) Leases**

Lease rentals in respect of assets taken on "Operating Lease" are charged to the Profit & Loss Account.



**SCHEDULE 20  
NOTES TO THE ACCOUNTS**

1) **Particulars of securities charged against secured loans taken by the Company are as follows:** (Rs.' 000)

Particulars	As At 31.03.2008	As at 31.03.2007	Security Charged
<b>Term Loan from Banks:</b>			
State Bank of Mysore:-			
— Medium Term Loan	109,630	70,909	First charge on all the present and future, movable (excluding those charged to hire-purchasers) and immovable assets including current assets of the Company. Personal guarantee of Mr. Pradeep Gupta.
— Buyer's Credit	11,307	—	
ICICI Bank Limited	2,755	4,482	Secured against specific vehicles.
HDFC Bank Limited	2,174	—	Secured against specific vehicles.
<b>Total</b>	<b>125,866</b>	<b>75,391</b>	
<b>Cash Credit Facilities from Banks:</b>			
State Bank of Mysore	87,885	83,151	First charge by way of hypothecation on the entire inventory, consumables, book-debts and receivables.
<b>Term Loan from Others:</b>			
Kotak Mahindra Primus Limited	754	1,093	Secured against specific vehicles.
Maruti Country Wide Auto Financial Services Limited	106	161	Secured against specific vehicles.
GMAC Financial Services (India) Private Limited	459	651	Secured against specific vehicles.
<b>Total</b>	<b>1,319</b>	<b>1,905</b>	
<b>Grand Total</b>	<b>215,070</b>	<b>160,447</b>	

2) **Taxation**

Breakup of net deferred tax liabilities into major components of the respective balances is as follows: (Rs.' 000)

Deferred Tax Assets/Liabilities	As at 01.04.2007	Charged / (Credited) to Profit & Loss Account	Adjusted with Opening General Reserve	As at 31.03.2008
<b>Deferred Tax Liabilities (A):</b>				
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	22,679	1,073	—	23,752
<b>Deferred Tax Assets (B):</b>				
Employee Benefits	—	532	4,721	5,253
<b>Net Deferred Tax Liability/(Asset) (A-B)</b>	<b>22,679</b>	<b>541</b>	<b>(4,721)</b>	<b>18,499</b>

Deferred tax credit has been calculated using the income tax rates as applicable to assessment year 2008-09. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

3) **Employee Benefits**

In accordance with AS 15 notified under the Companies (Accounting Standards) Rules 2006, the requisite disclosures are as under:

a. **Description of the type of plan(s):**

i. Gratuity Plan:

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated in accordance with the Payment of Gratuity Act, 1972.

## ii. Leave Encashment Plan:

The earned leave liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of yearly accrual of 30 days salary, i.e., last drawn basic salary, subject to maximum accumulation upto 90 days.

**b. Movement in Net Liabilities:****(Rs.)**

Particulars	Gratuity	Leave Encashment	Total
Present value of obligations - opening	7,886,653	6,003,196	13,889,849
Current Service Cost	1,075,103	1,841,514	2,916,617
Interest Cost	630,932	480,256	1,111,188
Actuarial (gain)/loss on obligation	1,476,358	352,797	1,829,155
Less : Benefits Paid	2,248,487	2,042,095	4,290,582
Present value of obligations – closing	8,820,559	6,635,668	15,456,227

In accordance with AS 15, retirement and short term employee benefits as at 31st March 2007 have been recomputed. The difference between the amount so computed and the liability with respect to the same as at 31st March 2007 of Rs. 9,168,690/- (net of deferred tax asset of Rs. 4,721,160/-) has been accordingly adjusted from the opening General Reserves.

**c. Reconciliation of assets and liabilities:****(Rs.)**

Particulars	Gratuity	Leave Encashment	Total
Present value of unfunded defined benefits obligations as on 31. 03.2008	8,820,559	6,635,668	15,456,227
Fair Value of plan assets*	—	—	—
Unrecognized actuarial (gain) / loss	—	—	—
Net Liability recognized as on 31.03.2008	8,820,559	6,635,668	15,456,227

\* The fair value of plan assets is Nil since gratuity and leave encashment plan are unfunded as on 31st March 2008.

**d. Principal actuarial assumptions:**

- i. Discount rate as at 31.03.2008 : 8%
- ii. Future Salary Increase : 6%
- iii. Average outstanding service of employees upto retirement : 26 years

**4) Leases****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Operating Lease:Rent	7,378	4,973

**5) Earnings Per Share****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Profit available to equity shareholders	20,866	42,980
Weighted average number of equity shares	10,001	10,001
Basic EPS (Rupees per share)	2.09	4.30
Potential Equity Shares' resulting from deemed conversion of warrants	1,000	Nil
Weighted average number of equity shares, including 'Potential Equity Shares	10,720	10,001

**6) Remuneration to Auditors****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Statutory Audit	56	56
Tax Audit	28	28
Out of pocket expenses	Nil	5
<b>Total</b>	<b>84</b>	<b>89</b>

**7) Directors Remuneration****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Salaries, allowances & bonus	8,329	8,241
Contribution to Provident & other funds	368	368

**8) Licensed Capacity, Installed Capacity & Actual Production**

Since the Company is not a manufacturing organization, there is no information required to be disclosed for licensed capacity, installed capacity & actual production.

**9) Newsprint Consumption****(Rs.' 000)**

Class of Goods	As at 31.03.2008		As at 31.03.2007	
	Quantity (kg)	Value	Quantity (kg)	Value
Newsprint	696,900	31,880	660,177	29,913

**10) Value of Materials Consumed****(Rs.' 000)**

Class of Goods	As at 31.03.2008		As at 31.03.2007	
	%	Value	%	Value
Imported	57	19,196	50	14,975
Indigenous	43	13,684	50	14,938
<b>Total</b>	<b>100</b>	<b>31,880</b>	<b>100</b>	<b>29,913</b>

**11) Value of Imports on CIF Basis****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Newsprint	22,972	7,961

**12) Earnings in Foreign Exchange****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Advertisement	74,896	47,154
Subscription	123	17
Publishing Income	—	17,788
Content Development	27,581	2,886

**13) Expenditure in Foreign Currency****(Rs.' 000)**

Particulars	As at 31.03.2008	As at 31.03.2007
Royalty	516	1,130
Travelling Expenses	4,237	1,138
Others	32,235	2,811

**14) Dividend Remitted to Non-Resident Shareholders in Foreign Currency**

Particulars	As at 31.03.2008	As at 31.03.2007
Number of shareholders	None	None
Number of shares held	Nil	Nil
Amount of dividend remitted – Rs.	Nil	Nil
Year to which it relates	NA	NA

**15) Related Party Transactions**

In accordance with the requirements of Accounting Standard (AS-18) on Related Party Disclosures, the names of related parties where control exists and/or with whom transactions have take place during the year and description of relationships, as identified and certified by management are:

(Rs.in '000)

Nature of Transactions	Joint Ventures		Subsidiaries		Associates		Key Management Personnel	
	Year Ended 31st March		Year Ended 31st March		Year Ended 31st March		Year Ended 31st March	
	2008	2007	2008	2007	2008	2007	2008	2007
Purchases	—	—	3,710	20,882	1,672	1,315	—	—
Sales	11,381	2,223	15,017	11,548	13,976	17	—	—
Common Expenses -Recovered	—	5,813	30,175	31,747	6,915	2,425	—	—
Common expenses-Paid	—	—	2,967	47	—	68	—	—
Commission Paid	—	—	5,432	—	—	—	—	—
Rent Income	—	—	—	1,080	—	—	—	—
Interest Income	—	—	1,272	2,566	548	548	—	—
Loans Given	—	2,200	—	900	—	—	—	—
Closing Balances:								
Sundry Debtors	15,336	10,677	24,049	53,431	28,300	7,290	—	—
Loans & Advances	—	2,200	12,740	19,100	9,677	11,019	—	—
Investments	—	44,624	17,336	111,311	47,874	4,600	—	—
Current Liabilities	—	—	10,023	22,094	—	392	—	—
Managerial Remuneration	—	—	—	—	—	—	10,992	8,609

**Names of related parties and description of relationship**

Subsidiaries	IDC (India) Limited Cyber Media India Online Limited Cyber Media Digital Limited Cyber Media Events Limited Cyber Holdings Limited Cyber Media Services Limited Cyber Media Singapore Pte Limited Cyber Media India LLC
Subsidiaries of Subsidiary	Publication Services Inc. TDA Group LLC Content Matrix LLC
Joint Venture	CMP Cyber Media LLC
Associates	Cyber Astro Limited Cyber Media Foundation Limited Cyber Media Careers Limited
Key Management Personnel	Mr. Pradeep Gupta Mr. Shyam Malhotra Mr. Krishan Kant Tulshan

**16) Segment Reporting**

As per AS – 17 on Segment Reporting, the Company has identified two segments viz media and media services. The relevant information is as under:

(Rs. in Million)

	Year Ended	
	31.03.2008	31.03.2007
<b>Segment Revenue</b>		
Media	675.09	651.20
Media Services	26.97	31.25
Total	702.06	682.45
Less: Inter Segment Revenue	8.30	4.60
<b>Total Revenue</b>	<b>693.76</b>	<b>677.85</b>

	Year Ended	
	31.03.2008	31.03.2007
<b>Segment Results</b>		
Profit before tax, interest income, interest expense and dividend from each segment		
Media	<b>67.98</b>	112.37
Media Services	<b>(10.90)</b>	(31.31)
<b>Sub – total</b>	<b>57.08</b>	<b>81.06</b>
Less: unrealised segment margins	—	—
Sub – total	<b>57.08</b>	81.06
Less: Interest expenditure	<b>21.75</b>	13.52
<b>Profit before tax</b>	<b>35.33</b>	<b>67.54</b>

### 17) Contingent Liabilities

- a. Guarantees given to State Bank of Mysore to secure facilities of:
  - i. Rs. 8.90 millions to IDC (India) Limited, Rs. 8.95 millions to Cyber Media Digital Limited and Rs. 9.84 millions to Cyber Media India Online Limited, subsidiaries of the Company.
  - ii. Stand-by letter of credit favouring Citi Bank, New York to secure the term loan of USD 3.4 millions (Rs. 137.22 millions) sanctioned to Cyber Media India LLC towards the assets purchase of the TDA Group, California.
- b. Total of bank guarantees outstanding as at year end amounting to Rs. 3,10,500/- given to customs and postal department against which 100% margin has already been deposited with the bank.
- c. Income-tax demand on regular assessment by the revenue authorities disputed in appeal but paid by the Company for assessment year 2003-04 is Rs. 513,107/-.

### 18) Other Notes

- a. On July 13, 2007, the Company had allotted 1,000,124 warrants convertible into an equal number of equity shares at a later date to the promoters of the Company, pursuant to a special resolution of the shareholders passed by way of postal ballot on June 15, 2007. The Company has received an amount equal to 10% of the total amount payable on such warrants from the promoters. The amount has been utilized in accordance with the objects of the issue and there has been no material variation. However, the option to convert warrants into shares is yet to be exercised by the promoters.
- b. As on 31st March, 2008 an amount of Rs. 17,880/- was lying in the public issue refund account as refund warrants have not been presented for clearance.
- c. The Company has not received any intimation from Micro and Small Enterprises under 'The Micro, Small and Medium Enterprises Act, 2006'. As per the information available with the Company, no interest is paid or payable under the Act.
- d. Detail of amount outstanding in unclaimed dividend accounts is as under:

Dividend for the year ended	Amount (Rs.)
31st March 2006	175,892
31st March 2007	284,091

- e. Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year's classification. The Company has no other information required to be disclosed pursuant to Schedule VI to the Companies Act, 1956.



From  
N K Goel & Co.  
Chartered Accountants  
32 Regal Buildings  
Parliament Street  
New Delhi 110 001

To  
The Board of Directors of  
Cyber Media (India) Limited  
New Delhi

1. We have audited the attached consolidated balance sheet of Cyber Media (India) Limited and its subsidiaries, associates and joint ventures as at March 31, 2008, the consolidated profit and loss account for the year ended on that date annexed thereto, and the consolidated cash flow statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, Accounting Standard

23, Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard 27- Financial Reporting of Interests in Joint Ventures, and on the basis of the separate audited/reviewed financial statements of the Company and its subsidiaries, associates and joint ventures.

4. On the basis of the information and explanations given to us and on consideration of the separate audit reports of individual audited financial statements of Cyber Media (India) Limited and its aforesaid subsidiaries, associates and joint ventures, as applicable, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of the consolidated balance sheet, of the consolidated state of affairs of Cyber Media (India) Limited and its subsidiaries, associates and joint ventures as at March 31, 2008.
  - ii) In case of the consolidated profit and loss account, of the consolidated results of operations of Cyber Media (India) Limited and its subsidiaries, associates and joint ventures for the year ended on that date; and
  - iii) In the case of the consolidated cash flow statement, of the consolidated cash flows of Cyber Media (India) Limited and its subsidiaries, associates and joint ventures for the year ended on that date;

For N K Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel  
Proprietor  
Membership Number: 500-16570

New Delhi,  
Dated : June 24, 2008

**CYBER MEDIA (INDIA) LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2008**

*(all figures in INR)*

	Schedule No.	As at 31st March 2008	As at 31st March 2007
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	100,012,420	100,012,420
Share Warrants		11,285,726	—
Reserves and Surplus	2	<u>347,761,369</u>	<u>329,074,539</u>
		<b>459,059,515</b>	429,086,959
		<b>5,617,296</b>	2,079,908
<b>Minority Interest</b>			
<b>Loan Funds</b>			
Secured Loans	3	435,588,941	183,026,666
Unsecured Loans	4	<u>3,105,000</u>	<u>430,000</u>
		<b>438,693,941</b>	183,456,666
		<b>21,225,518</b>	25,091,767
<b>Deferred Tax Liabilities</b>			
<b>TOTAL</b>		<b><u>924,596,270</u></b>	<b><u>639,715,300</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	711,861,875	307,565,904
Less: Depreciation		<u>205,033,569</u>	<u>100,669,564</u>
Net Block		506,828,306	206,896,340
Capital Work in Progress		<u>729,311</u>	<u>729,311</u>
		<b>507,557,617</b>	207,625,651
		<b>116,515,551</b>	141,532,559
<b>Investments</b>			
<b>Current Assets, Loans and Advances</b>			
Inventories	7	58,956,423	16,963,553
Sundry Debtors	8	343,194,193	312,270,823
Cash and Bank Balances	9	41,743,271	11,974,047
Loans and Advances	10	<u>59,677,552</u>	<u>41,666,665</u>
		<u>503,571,439</u>	<u>382,875,088</u>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	11	208,058,530	122,861,571
Provisions	12	<u>25,539,313</u>	<u>11,700,953</u>
		<u>233,597,843</u>	<u>134,562,524</u>
<b>Net Current Assets</b>		<b>269,973,596</b>	248,312,564
<b>Miscellaneous Expenditure</b>	13	<b>30,549,506</b>	42,244,526
<b>TOTAL</b>		<b><u>924,596,270</u></b>	<b><u>639,715,300</u></b>
<b>Significant Accounting Policies</b>	19		
<b>Notes to the Accounts</b>	20		

Schedules referred above form an integral part of this Balance Sheet

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel (Membership No. 500-16570)  
Proprietor

New Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing Director

Krishan Kant Tulshan  
Executive Director

Shilpi Gupta  
Company Secretary



**CYBER MEDIA (INDIA) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008**

(all figures in INR)

	Schedule No.	Year Ended 31st March 2008	Year Ended 31st March 2007
<b>INCOME</b>			
Sales and Services Income		1,119,820,818	955,931,009
Other Income	14	<u>10,246,371</u>	<u>14,805,723</u>
		<b>1,130,067,189</b>	<b>970,736,732</b>
<b>EXPENDITURE</b>			
Direct Expenses	15	540,424,567	493,678,583
Personnel Expenses	16	298,137,125	201,861,007
Other Expenses	17	<u>151,486,801</u>	<u>129,988,785</u>
		<b>990,048,493</b>	<b>825,528,375</b>
<b>Earnings before Interest, Tax, Depreciation &amp; Amortization</b>			
Financial Expenses	18	29,351,013	145,208,357
Depreciation and Amortization	5	<u>30,719,848</u>	<u>18,737,849</u>
		<b>140,018,696</b>	<b>22,166,401</b>
		<b>60,070,861</b>	<b>40,904,250</b>
<b>Profit Before Tax</b>			
<b>Provision for Taxes</b>			
Current Tax		19,510,000	28,072,170
Deferred Tax		1,944,644	5,447,345
Fringe Benefit Tax		3,247,000	3,553,500
Wealth Tax		28,040	—
Tax - earlier years		<u>812,935</u>	<u>—</u>
		<b>25,542,619</b>	<b>37,073,015</b>
<b>Profit After Tax but before Extraordinary Items</b>			
Extraordinary Item		<b>54,405,216</b>	67,231,092
		<b>14,517,899</b>	—
<b>Profit After Tax and Extraordinary Item</b>			
<b>Appropriations</b>			
Minority Interest		<b>1,052,579</b>	651,546
General Reserve		<b>9,168,690</b>	47,851,968
Proposed Dividend		<b>5,000,621</b>	10,001,242
Dividend Tax		<b>849,856</b>	1,699,711
Balance carried forward		<b>23,815,571</b>	7,026,625
		<b>39,887,317</b>	<b>67,231,092</b>
<b>Earnings per share</b>			
Equity Shares of face value of Rs. 10/- each			
<b>Before Extraordinary Items:</b>			
Basic		<b>5.44</b>	6.66
Diluted		<b>5.08</b>	6.66
<b>After Extraordinary Items:</b>			
Basic		<b>3.99</b>	6.66
Diluted		<b>3.72</b>	6.66
<b>Number of shares used in computing earnings per share:</b>			
Basic		<b>10,001,242</b>	10,001,242
Diluted		<b>10,719,910</b>	10,001,242
<b>Significant Accounting Policies</b>			
<b>Notes to the Accounts</b>			
	19		
	20		

Schedules referred above form an integral part of this Profit and Loss Account

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered AccountantsNeeraj Kumar Goel (Membership No. 500-16570)  
ProprietorNew Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing DirectorKrishan Kant Tulshan  
Executive DirectorShilpi Gupta  
Company Secretary

**CYBER MEDIA (INDIA) LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008**

*(all figures in INR)*

	As at 31st March 2008	As at 31st March 2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	<b>79,947,835</b>	104,304,107
Adjustments for:		
Depreciation	30,719,848	22,166,401
Difference in Exchange	858,064	137,161
Preliminary Expenses written off	45,620	2,997
Loss on sale of assets	907,582	215,736
Deferred Revenue Expenditure	9,062,824	12,714,726
Employee Benefits	2,592,947	—
Foreign Currency Translation Reserve	(425,857)	—
Extraordinary Items	(14,517,899)	—
Interest Income	(685,756)	(32,890,198)
Dividend Income	—	(1,627,685)
Interest Expense	26,873,787	17,153,462
	<b>55,431,160</b>	47,473,779
<b>Operating Profit before Working Capital Changes</b>	<b>135,378,995</b>	151,777,886
Adjustments for:		
(Increase) Decrease in Inventories	(41,992,870)	5,232,217
(Increase) Decrease in Debtors	(30,923,370)	(70,167,064)
(Increase) Decrease in Loans & Advances	631,058	(7,714,639)
Increase (Decrease) in Current Liabilities	85,196,959	(39,456,553)
	<b>12,911,777</b>	112,106,039
Cash Generated from Operations	<b>148,290,772</b>	39,671,847
Income-tax Paid	<b>42,239,920</b>	32,494,883
<b>Net Cash from Operating Activities</b>	<b>106,050,852</b>	7,176,964
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Inflows:</b>		
Sale of Fixed Assets	1,139,695	—
Sale of Investments(Net)	25,017,008	1,175,000
Dividend Received	—	1,627,685
Interest Income	685,756	3,289,019
	<b>26,842,459</b>	—
<b>Outflows:</b>		
Acquisition of Fixed assets	330,214,284	50,578,963
Purchase of Investments	—	25,731,513
	<b>330,214,284</b>	76,310,476
<b>Net Cash from Investing Activities</b>	<b>(303,371,825)</b>	(70,218,772)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Inflows:</b>		
Proceeds from Share Warrants	11,285,726	—
Proceeds from Secured Loans (Net)	252,562,275	78,199,520
Proceeds from Unsecured Loans	2,675,000	—
	<b>266,523,001</b>	78,199,520
<b>Outflows:</b>		
Dividend Paid (Including dividend tax)	11,700,953	11,403,916
Interest Paid	26,873,787	17,153,462
	<b>38,574,740</b>	28,557,378
<b>Net Cash from Financing Activities</b>	<b>227,948,261</b>	49,642,142

<i>(all figures in INR)</i>		
	<b>As at 31st March 2008</b>	<b>As at 31st March 2007</b>
<b>D. EXCHANGE DIFFERENCE IN FOREIGN CURRENCY</b>	<b>(858,064)</b>	(137,161)
Net (Decrease) Increase in Cash & Cash equivalents	<b>29,769,224</b>	(13,536,827)
Opening Cash & Cash equivalents	<b>11,974,047</b>	25,510,874
	<hr/>	<hr/>
Closing Cash & Cash equivalents	<b>41,743,271</b>	11,974,047
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the Cash Flow Statement:**

1. The cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash Flow Statement" .
2. Cash flows have been reported using the indirect method, whereby the net profit is adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments, segregated between cash flows.
3. Significant cash and cash equivalents balances held by the Company are available for its use.

This is the Cash Flow Statement referred to in our report of even date

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel (Membership No. 500-16570)  
Proprietor

New Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing Director

Krishan Kant Tulshan  
Executive Director

Shilpi Gupta  
Company Secretary

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

*(all figures in INR)*

	As at 31st March 2008	As at 31st March 2007
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized</b>		
12,500,000 (110,000,000) Equity Shares of Rs. 10/- each	<u>125,000,000</u>	<u>110,000,000</u>
<b>Issued, Subscribed, Called and Paid Up</b>		
3,815,304 (3,815,304) Equity Shares of Rs. 10/- each, fully paid up in cash	<b>38,153,040</b>	38,153,040
6,185,938 (6,185,938) Equity Shares of Rs. 10/- each, fully paid up issued as bonus shares by capitalization of general reserves	<u>61,859,380</u>	61,859,380
<b>Total</b>	<u><b>100,012,420</b></u>	<u>100,012,420</u>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last Balance Sheet	151,690,506	154,277,083
Less: IPO expenses written off	<u>2,586,577</u>	<u>2,586,577</u>
	<b>149,103,929</b>	151,690,506
Foreign Currency Translation Reserve As per Accounting Standard - 11	<b>(425,857)</b>	—
<b>General Reserve</b>		
As per last Balance Sheet	170,357,408	122,505,440
Transferred from Profit & Loss Account	<u>9,168,690</u>	<u>47,851,968</u>
	179,526,098	170,357,408
Less:		
Provision for earlier years of employee benefits as per AS - 15 (Net of deferred tax of Rs. 5,810,892/-)	<u>11,284,997</u>	—
Profit & Loss Account	<b>168,241,101</b>	170,357,408
	<b>30,842,196</b>	7,026,625
<b>Total</b>	<u><b>347,761,369</b></u>	<u>329,074,539</u>
<b>SCHEDULE 3</b>		
<b>SECURED LOANS*</b>		
Loans and Advances from Banks		
Term Loan**	<b>281,757,241</b>	76,729,613
Cash Credit	<b>151,196,593</b>	98,135,255
	<u>432,953,834</u>	174,864,868
Loans and Advances from Others		
Term Loan***	<b>2,635,107</b>	8,161,798
<b>Total</b>	<u><b>435,588,941</b></u>	<u>183,026,666</u>
* Secured by charge over certain assets of the Company (see note 1 of schedule 19)		
** Payable within one year		
*** Payable within one year		
	<b>58,049,893</b>	15,796,695
	<b>625,439</b>	1,841,028
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Other Loans and Advances		
Security Deposits	<b>255,000</b>	80,000
Sundry Parties	<b>2,850,000</b>	350,000
<b>Total</b>	<u><b>3,105,000</b></u>	<u>430,000</u>

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

**SCHEDULE 5**  
**FIXED ASSETS**

Description	As at 1.04.07	Additions	Deductions	As at 31.03.08	Upto 31.03.07	For the year	Deductions/ Adjustments	Upto 31.3.08	As at 31.03.08	As at 31.03.07
Land Freehold	6,024,854	—	—	6,024,854	—	—	—	—	6,024,854	6,024,854
Buildings Freehold	30,583,383	8,588,153	—	39,171,536	7,245,196	640,292	—	7,885,488	31,286,048	23,338,187
Leasehold Improvements	—	3,189,070	—	3,189,070	—	67,920	(1,769,522)	1,837,442	1,351,628	—
Capitalized Software & Web Site	14,223,242	2,749,797	—	16,973,039	5,108,348	1,659,781	—	6,768,129	10,204,910	9,114,894
Computer Equipments	77,746,535	7,574,924	273,200	85,048,259	53,188,852	12,320,906	259,540	65,250,218	19,798,041	24,557,683
Furniture & Fixtures	49,215,568	73,690,202	—	122,905,770	8,011,765	4,396,150	(69,560,375)	81,968,290	40,937,480	41,203,803
Equipments & Installations	22,369,112	2,451,396	—	24,820,508	5,056,602	1,129,183	—	6,185,785	18,634,723	17,312,510
Air Conditioners	11,927,310	653,100	—	12,580,410	1,722,269	584,642	—	2,306,911	10,273,499	10,205,041
Generator	3,222,042	1,989,674	—	5,211,716	613,612	219,580	—	833,192	4,378,524	2,608,430
Vehicles	32,720,930	7,323,681	2,519,970	37,524,641	12,813,229	3,562,416	(333,310)	16,708,955	20,815,686	19,907,701
Books	340,345	9,573	—	349,918	208,340	14,806	—	223,146	126,772	132,005
Trademarks	6,926,080	—	—	6,926,080	6,649,909	25,000	—	6,674,909	251,171	276,171
Commercial Rights & Customer Intangibles	52,266,503	201,320,000	—	253,586,503	51,442	5,586,362	—	5,637,804	247,948,699	52,215,061
Goodwill	—	92,857,371	—	92,857,371	—	195,851	—	195,851	92,661,520	—
Research & Development	—	4,692,200	—	4,692,200	—	316,959	(2,240,490)	2,557,449	2,134,751	—
Total	307,565,904	407,089,141	2,793,170	711,861,875	100,669,564	30,719,848	(73,644,157)	205,033,569	506,828,306	206,896,340
Previous Year	254,661,769	72,564,253	19,660,118	307,565,904	74,057,947	22,166,401	—	100,669,564	206,896,340	180,603,822

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

*(all figures in INR)*

	As at 31st March 2008	As at 31st March 2007
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS</b>		
<b>Long Term</b>		
Trade - Unquoted		
Cyber Media Careers Limited (formerly Cyber Media Dice Careers Limited) 4,462,399 (4,462,399) Equity Shares of Rs. 10/- each fully paid up	44,623,990	44,623,990
CMP Cyber Media LLC Representing 50% ownership interest	22,146,729	22,146,729
SX2 Media Labs LLC Representing 20% ownership interest	46,680,327	46,680,327
Publishing Services Inc Representing 49% ownership interest	—	25,142,163
Cyber Media Foundation Limited 250,000 (250,000) Equity Shares of Rs. 10/- each fully paid up	—	—
Share Application Money	1,350,000	1,350,000
	<u>114,801,046</u>	<u>139,943,209</u>
Academic Coaching Partner Inc. 70,000 (70,000) fully paid and non assessable shares without par value	1,589,350	1,589,350
Cyber Astro Limited 75,000 (75,000) Equity Shares of Rs. 10/- each fully paid up	—	—
	<u>116,390,396</u>	<u>141,532,559</u>
	<u>116,390,396</u>	<u>141,532,559</u>
Current Investments		
Other than Trade - Quoted		
Reliance Liquid Fund	125,155	—
<b>Total</b>	<u>116,515,551</u>	<u>141,532,559</u>
Aggregate market value of Quoted Investments	125,155	—
Aggregate face value of Unquoted Investments	115,040,396	140,182,559
<b>SCHEDULE 7</b>		
<b>INVENTORIES</b>		
Newsprint	16,726,760	6,727,700
Trading Goods	9,627,057	9,547,295
Packing Materials	826,456	688,558
Work-in- Progress	31,776,150	—
<b>Total</b>	<u>58,956,423</u>	<u>16,963,553</u>
<b>SCHEDULE 8</b>		
<b>SUNDRY DEBTORS</b>		
Unsecured but considered good for recovery by the management		
Debts exceeding six months	22,661,813	17,545,645
Other Debts	320,532,380	294,725,178
<b>Total</b>	<u>343,194,193</u>	<u>312,270,823</u>

**CYBER MEDIA (INDIA) LIMITED**  
**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

(all figures in INR)

	As at 31st March 2008	As at 31st March 2007
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	1,805,556	739,844
Bank Balances:		
With Scheduled Banks:		
Current Accounts	24,662,510	10,028,704
Deposit Accounts	15,135,930	1,082,113
Interest Accrued but Not Due	120,893	—
	<u>39,919,333</u>	<u>11,110,817</u>
With others:		
Development Credit Bank Limited		
Current Account*	18,382	123,386
	<u>39,937,715</u>	<u>11,234,203</u>
<b>Total</b>	<u><b>41,743,271</b></u>	<u><b>11,974,047</b></u>
* Maximum amount outstanding at any time during the year	<u><b>2,779,386</b></u>	<u>1,934,802</u>
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES</b>		
Unsecured but considered good for recovery by the management		
Loans to Others	5,208,083	5,108,206
Advances recoverable in cash or in kind or for value to be received	18,722,711	20,969,622
Security Deposits	8,344,406	6,828,430
Deposit with Sales-tax department	5,609,359	5,609,359
Prepaid taxes, net of provisions	21,792,993	3,151,048
<b>Total</b>	<u><b>59,677,552</b></u>	<u><b>41,666,665</b></u>
<b>SCHEDULE 11</b>		
<b>CURRENT LIABILITIES</b>		
Acceptances	62,063,615	—
Sundry Creditors	142,065,543	122,752,889
Advance payments for which value still to be given	3,929,372	108,682
<b>Total</b>	<u><b>208,058,530</b></u>	<u><b>122,861,571</b></u>
<b>SCHEDULE 12</b>		
<b>PROVISIONS</b>		
For Proposed Dividends	5,000,621	10,001,242
For Dividend Tax	849,856	1,699,711
For Employee Benefits	19,688,836	—
<b>Total</b>	<u><b>25,539,313</b></u>	<u><b>11,700,953</b></u>
<b>SCHEDULE 13</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
To the extent not written off and / or adjusted		
Deferred Revenue Expenditure	25,350,333	34,434,976
Public Issue Expenses	5,173,154	7,759,730
Preliminary Expenses	26,019	49,820
<b>Total</b>	<u><b>30,549,506</b></u>	<u><b>42,244,526</b></u>

## CYBER MEDIA (INDIA) LIMITED

### CONSOLIDATED SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

*(all figures in INR)*

	Year Ended 31st March 2008	Year Ended 31st March 2007
<b>SCHEDULE - 14</b>		
<b>OTHER INCOME</b>		
Dividend from Subsidiary Companies	—	1,627,685
Surplus on sale of Current Investments	25,155	—
Rentals	6,346,172	4,876,800
Interest on Loans to Subsidiaries	—	3,289,019
Interest on Loans to Others	547,956	—
Interest on Fixed Deposits - Gross	137,800	—
Miscellaneous Income	3,189,288	5,012,219
<b>Total</b>	<b>10,246,371</b>	<b>14,805,723</b>
Tax Deducted at Source - Interest	433,260	698,865
Tax Deducted at Source - Others	11,977,838	969,644
<b>SCHEDULE 15</b>		
<b>DIRECT EXPENSES</b>		
Cost of Trading Goods Sold		
Opening Stock	10,235,853	10,450,563
Add : Purchases	35,268,991	57,667,352
	<b>45,504,844</b>	<b>68,117,915</b>
Less : Closing Stock	10,405,549	10,235,853
	<b>35,099,295</b>	<b>57,882,062</b>
Consumption of Newsprint		
Opening Stock	6,727,700	11,254,759
Add : Purchases	41,878,772	25,386,165
	<b>48,606,472</b>	<b>36,640,924</b>
Less : Closing Stock	16,726,760	6,727,700
	<b>31,879,712</b>	<b>29,913,224</b>
Content Expenses	166,371,056	93,190,313
Research & Survey Expenses	69,732,600	56,654,132
Discount/Commission on Sales & Services	149,821,264	188,308,224
Packing & Despatch	27,861,929	21,464,217
Printing & Processing	59,658,711	46,266,411
<b>Total</b>	<b>540,424,567</b>	<b>493,678,583</b>
<b>SCHEDULE 16</b>		
<b>PERSONNEL EXPENSES</b>		
Salaries, Bonus & Allowances	269,821,537	182,631,570
Contribution to Provident & Other Funds	15,524,281	9,047,342
Staff Welfare	9,572,918	6,569,424
Staff Recruitment & Training	3,218,389	3,612,671
<b>Total</b>	<b>298,137,125</b>	<b>201,861,007</b>



**CYBER MEDIA (INDIA) LIMITED****CONSOLIDATED SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008***(all figures in INR)*

	<b>Year Ended 31st March 2008</b>	<b>Year Ended 31st March 2007</b>
<b>SCHEDULE - 17 OTHER EXPENSES</b>		
Rent & Hire Charges	<b>14,337,771</b>	7,193,271
Rates & Taxes	<b>1,253,380</b>	634,181
Printing & Stationary	<b>4,918,265</b>	4,441,926
Correspondence & Communication	<b>17,388,629</b>	18,839,861
Travelling & Conveyance	<b>40,105,663</b>	38,516,090
Vehicle Running & Maintenance	<b>4,280,677</b>	4,292,218
Insurance	<b>1,269,856</b>	553,817
Electricity & Water	<b>11,128,861</b>	8,709,092
Repair & Maintenance - Building	<b>3,333,619</b>	1,138,720
Repair & Maintenance - Plant & Machinery	<b>2,933,758</b>	2,219,032
Repair & Maintenance - Others	<b>4,075,218</b>	2,020,801
Directors Fees	<b>131,089</b>	144,365
Legal & Professional Charges	<b>7,618,287</b>	8,237,331
Remuneration to Statutory Auditors	<b>259,414</b>	192,000
Newspaper, Books & Periodicals	<b>1,333,812</b>	974,119
Miscellaneous Expenses	<b>10,250,238</b>	7,251,510
Advertisement & Publicity	<b>25,056,998</b>	24,214,437
Bad Debts written off	—	60,120
Exchange Rate Difference (Net)	<b>858,064</b>	137,161
Loss on sale of assets	<b>907,582</b>	215,736
Preliminary Expenses written off	<b>45,620</b>	2,997
<b>Total</b>	<b>151,486,801</b>	129,988,785
<b>SCHEDULE 18 FINANCIAL EXPENSES</b>		
Interest on Bank Term Loan	<b>12,939,512</b>	5,215,740
Interest on Cash Credit Facility	<b>13,274,847</b>	9,016,734
Interest on Other Loans	<b>659,428</b>	2,920,988
	<b>26,873,787</b>	17,153,462
Financial Charges	<b>2,477,226</b>	1,584,387
<b>Total</b>	<b>29,351,013</b>	18,737,849

## SCHEDULE - 18

### Statement of Significant Accounting Policies to the Consolidated Financial Statements

The significant accounting policies adopted by the Company, its subsidiaries, associates and joint ventures (hereinafter referred to as the "Group") in respect of these Consolidated Financial Statements, are set out below:

#### 1) Basis of Preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India and pronouncements of the Institute of Chartered Accountants of India. These financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2008. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

The management evaluates all recently issued or revised accounting standard on an ongoing basis.

#### 2) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

The Financial Statements of the Company and its subsidiary Companies have been combined on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – Consolidated Financial Statements.

In case of foreign subsidiary, revenue items are consolidated at average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year.

Investment in Associate Companies has been accounted under the equity method as per Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements.

Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

The Financial Statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company, i.e., 31st March 2008.

The excess of cost of the Company, of its investment in the subsidiary and Joint Ventures over the Company's portion of equity is recognized in financial statements as Goodwill. The excess of Company's portion of equity of the Subsidiary and Joint Ventures as at the date of its investment is treated as Capital Reserve.

Minority Interest in the net assets of Consolidated subsidiaries consist of :

- The Amount of equity attributable to minorities at the date on which investment in subsidiary is made and
- The minorities share of movements in equity since the date the parent subsidiary relationship came into existence.

Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

Intra group balances and intra group transactions and resulting unrealized profits have been eliminated.

The list of Subsidiary Companies, Associate Companies and Joint Ventures which are included in the Consolidation and the Company's holdings therein are as under :

Name of the Company	Relationship	Shareholding as at March 31, 2008
Cyber Media India Online Limited	Subsidiary	91.95%
Cyber Media Events Limited	Subsidiary	100.00%
IDC (India) Ltd	Subsidiary	100.00%
Cyber Media Digital Limited	Subsidiary	100.00%
Cyber Media Singapore Pte. Limited	Subsidiary	100.00%
Cyber Holdings Limited	Subsidiary	100.00%
Cyber Media (India) LLC	Subsidiary	100.00%
Cyber Media Services Limited	Subsidiary	99.99%
TDA Group LLC*	Subsidiary	100.00%
Publication Services Inc.*	Subsidiary	49.00%**
Content Matrix LLC*	Subsidiary	100.00%
Cyber Media Careers Limited	Associate	34.86%
Cyber Media Foundation Limited	Associate	50.00%
Cyber Astro Limited	Associate	37.50%

\* Subsidiary of 100% Company's subsidiary namely Cyber Media India LLC.

\*\* Board controlled subsidiary

#### 3) Revenue Recognition

Revenues of all material items and nature are recognized in accordance with Accounting Standard - 9, i.e., at the time of rendering of services or sales. If at the time of rendering of services or sales there is significant uncertainty in ultimate collection of the revenue, then the revenue recognition is postponed and in such cases revenue is recognized only when it becomes reasonably certain that ultimate collection will be made. When uncertainty of collection of revenue arises subsequently after the revenue recognition, provision for the uncertainty in collection is made rather than adjustment in revenue already recognized.

#### 4) Fixed Assets, Intangible Assets and Capital Work-In - Progress

Fixed Assets are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready to use. Capital work-in progress comprises

outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

#### 5) Depreciation/ Amortization

Depreciation is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on all assets. Intangible assets are amortized in accordance with Accounting Standard 26 on "Intangible Assets".

Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for less than Rs. 5,000/-) are entirely depreciated in the year of acquisition.

#### 6) Investments

Trade Investments are the investments made to enhance the Company's business interests. Investments are either classified as current and long-term based on the management intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

In respect of integral foreign operations, all transactions are translated at rate prevailing at the time of transaction or that approximate the actual rate as at the date of transaction. In case of non-integral foreign operations, all resulting exchange differences are accumulated in foreign currency translation reserves until the disposal of the net investments.

#### 7) Inventory

Inventory of Newsprint, goods in process, trading goods, packing material and goods in transit are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First In First Out', 'Average Cost', or 'Specific Identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### 8) Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the exchange rate prevailing at the date of transaction. Monetary items are restated at year-end foreign exchange rates. Resultant exchange differences arising on payment or conversion of liabilities are recognized as income or expense in the year in which they arise.

In respect of Integral Foreign Operations, all transactions are translated at rate prevailing at the time of transaction or that approximate the actual rate as at the date of transaction. In case of Non-Integral Foreign Operations, all resulting exchange differences are accumulated in Foreign Currency Translation Reserves until the disposal of the net investments.

#### 9) Retirement Benefits

- a) Company's contribution to the Employees' Provident Fund is charged to the profit and loss account each year.
- b) Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered is recognised on undiscounted basis.
- c) Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss account as income or expense.
- d) Gratuity and Leave encashment are provided for on the basis of actuarial valuation using projected unit credit method (PUCM).

#### 10) Taxation

Income tax is computed using the tax effect accounting method; where income tax is accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provision is also recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognized only if there is reasonable or virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiscal year.

#### 11) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as a part of the cost of that asset. A qualifying asset is one, which takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 12) Impairment of Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less cost to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash generating units).

### **13) Earnings Per Share**

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### **14) Provisions**

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than

not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

### **15) Deferred Revenue Expenditure**

Deferred Revenue Expenditure represents new projects implementation cost to be amortized over a period of 60 months or earlier equally, commencing from the month of commencement of commercial activities of the project.

### **16) Initial Public Offering (IPO) Expenses**

Public Issue Expenses are written off from share premium account as per section 78(2) (c) of the Companies Act, 1956 in five equal accounting year commencing with the year of listing of equity share on the designated stock exchange.

### **17) Leases**

Lease rentals in respect of assets taken on "Operating Lease" are charged to the Profit & Loss Account.

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**SCHEDULE 19**  
**NOTES TO THE ACCOUNTS**

**1) Particulars of securities charged against secured loans taken by the Company are as follows:** (Rs.' 000)

Particulars	As At 31.03.2008	As at 31.03.2007	Security Charged
<b>Term Loan</b>			
State Bank of Mysore		74,927	First charge on all the present and future, movable (excluding those charged to hire-purchasers) and immovable assets including current assets of the Company.  Personal guarantee of Mr. Pradeep Gupta.
— Medium Term Loan	<b>111,734</b>	—	
— Buyer Credit	<b>11,307</b>	—	
Citi Bank N.A.	<b>137,224</b>	—	Secured against all assets and liabilities of Cyber Media India LLC and Stand by Letter of credit issued by State Bank of Mysore, favouring Cyber Media India LLC
Busey Bank	<b>13,411</b>	—	Secured against all assets and liabilities of Publication Services Inc.
Other Banks	<b>8,081</b>	1,803	Secured against specific vehicles.
Other then Banks	<b>2,635</b>	8,161	Secured against specific vehicles.
<b>Cash Credit Facility</b>			
State Bank of Mysore	<b>115,573</b>	98,136	First charge by way of hypothecation, on the entire inventory, consumables, book debts and receivables.
Busey Bank	<b>19,611</b>	—	Secured against all assets and liabilities of Publication Services Inc.
Citi Bank N.A.	<b>16,013</b>	—	Secured against all assets and liabilities of TDA Group LLC
<b>Total</b>	<b>435,589</b>	183,027	

**2) Taxation**

Breakup of net deferred tax liabilities into major components of the respective balances is as follows: (Rs.' 000)

Deferred Tax Assets/Liabilities	As at 01.04.2007	Charged / (Credited) to Profit & Loss Account	Adjusted with Opening General Reserve	As at 31.03.2008
<b>Deferred Tax Liabilities (A) :</b>				
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	26,240	1,683	—	<b>27,923</b>
<b>Deferred Tax Assets (B) :</b>				
Tax impact of Employees Benefits in compliance of Accounting Standard 15	—	886	5,811	<b>6,697</b>
Carry Forward Depreciation	1,148	(1,148)	—	<b>—</b>
<b>Net Deferred Tax Liability/(Asset) (A-B)</b>	25,092	1,945	(5,811)	<b>21,226</b>

Deferred tax credit has been calculated using the income tax rates as applicable to Assessment Year 2008-09. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

### 3) Employee Benefits

In accordance with the revised Accounting Standard 15 notified under the Companies (Accounting Standards) Rules, 2006 the requisite disclosures are as follows:

#### a. Description of the type of plan(s):

##### i. Gratuity plan:

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated in accordance with 'The Payment of Gratuity Act, 1972'.

##### ii. Leave Encashment plan:

The earned leave liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of yearly accrual of 30 days salary (i.e. last drawn salary) subject to maximum accumulation up to 90 days.

#### b. Movement in Net Liabilities:

(Rs.)

Particulars	Gratuity	Leave Encashment	Total
Present value of obligations as on 1.04.07	10,257,851	8,037,977	18,295,828
Current service cost	1,398,342	2,459,656	3,857,998
Interest cost	820,628	643,038	1,463,666
Actuarial (gain)/loss on obligation	1,684,585	732,440	2,417,025
Less : Benefits paid	2,479,241	2,471,416	4,950,657
Present value of obligations as on 31.03.08	11,682,165	9,401,695	21,083,860

In accordance with the AS-15 notified under Companies (Accounting Standards) Rules, 2006 retirement and short-term employee benefits as at 31 March, 2007 have been recomputed. The difference between the amount so computed and the liability with respect to the same as at 31 March, 2007 has been accordingly adjusted in the opening balance of General Reserves amounting to Rs.11,284,997 (Net of Deferred tax Assets Rs. 5,810,892).

#### c. Reconciliation of assets and liabilities:

(Rs.)

Particulars	Gratuity	Leave Encashment	Total
Present value of unfunded defined benefit Obligations as on 31.03.08	11,682,165	9,401,695	21,083,860
Fair value of plan assets*	1,395,025	—	1,395,025
Net Liability Recognized on 31.03.2008	10,257,140	9,401,695	19,688,835

\*The gratuity is partly funded and leave encashment plan is wholly unfunded as on 31st March, 2008.

#### d. Principal actuarial assumptions:

- |  |        |
|--|--------|
| i. Discount rate as at 31.03.08                                | 8.00 % |
| ii. Future salary increase                                     | 6.00 % |
| iii. Average Outstanding Service of Employees up to Retirement | 26 yrs |

### 4) Director's Remuneration

(Rs. in '000)

Particulars	As at 31.03.2008	As at 31.03.2007
Salaries, allowances & bonus	8,329	8,241
Contribution to Provident & other Funds	368	368

**5) Related Party Transactions**

In accordance with the requirements of Accounting Standard (AS-18) on Related Party Disclosures, the names of related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by management are as under:

(Rs. in '000)

Nature of Transactions	Joint Ventures		Associates		Key Management Personnel		Relative of Key Management Personnel	
	Year Ended 31st March		Year Ended 31st March		Year Ended 31st March		Year Ended 31st March	
	2008	2007	2008	2007	2008	2007	2008	2007
Purchases	—	—	<b>1,672</b>	1,315	—	—	—	—
Sales & Others	<b>11,381</b>	2,223	<b>13,976</b>	17	—	—	—	—
Common Expenses-Recovered	—	5,813	<b>6,915</b>	2,425	—	—	—	—
Common expenses-Paid	—	—	—	68	—	—	—	—
Commission Paid	—	—	—	—	—	—	—	—
Rent Paid	—	—	—	—	—	—	<b>180</b>	180
Interest Income	—	—	<b>548</b>	548	—	—	—	—
Loans Given	—	2,200	—	<b>4,769</b>	—	—	—	—
Closing Balances:								
Sundry Debtors	<b>15,336</b>	10,677	<b>28,300</b>	2,520	—	—	—	—
Loans & Advances	—	6,883	<b>9,677</b>	11,019	—	—	—	—
Investments	—	44,624	<b>47,874</b>	4,600	—	—	—	—
Current Liabilities	—	—	—	392	—	—	—	—
Managerial Remuneration	—	—	—	—	<b>10,992</b>	8,609	—	—

**Names of related parties and description of relationship:**

Subsidiaries of Subsidiary	Publication Services Inc. TDA Group LLC Content Matrix LLC
Joint Ventures	CMP Cyber Media LLC
Associates	Cyber Media Careers Limited Cyber Astro Limited Cyber Media Foundation Limited
Key Management Personnel	Mr. Pradeep Gupta Mr. Shyam Malhotra Mr. Krishan Kant Tulshan
Relatives of Key Management Personnel	Mrs. Sudha Bala Gupta Mrs. Dipika Tulshan

- 6) As per Accounting Standard 17 on 'Segment Reporting', the Company has identified two segment viz media and services. The relevant information is as under

(Rs. in millions)

	Year Ended	
	31.03.2008	31.03.2007
<b>Segment Revenue</b>		
Media	<b>768.49</b>	759.04
Media Services	<b>392.70</b>	246.59
Total	<b>1,161.19</b>	1,005.63
Less: Inter Segment Revenue	<b>31.12</b>	34.90
<b>Total Revenue</b>	<b>1,130.07</b>	970.73

(Rs. in millions)

	Year Ended	
	31.03.2008	31.03.2007
<b>Segment Results</b>		
Profit Before Tax, Interest Income, Interest Expenses And dividend from each Segment:		
Media	<b>72.13</b>	133.23
Media Services	<b>37.17</b>	(10.18)
Sub-Total	<b>109.30</b>	123.05
Less: Unrealised Segment Margins	—	—
Sub-Total	<b>109.30</b>	123.05
Less: Interest Expenditure	<b>29.35</b>	18.74
<b>Profit Before Tax</b>	<b>79.95</b>	104.31

#### 7) Contingent Liabilities

- a. Guarantees given to State Bank of Mysore to secure facilities of Rs 8.90 million to IDC (India) Limited, Rs. 8.95 millions, to Cyber Media Digital Limited (Formerly Cyber Multimedia India Limited) and Rs. 9.84 millions, to Cyber Media India Online Limited (Formerly Cyber India Online Limited), subsidiaries of Cyber Media (India) Limited.
- b. Guarantees given to State Bank of Mysore to secure Stand by Letter of Credit favouring Citi Bank, New York to secure the Term Loan of USD 3.4 Million (INR 137.22 Millions) sanctioned by Citi Bank to Cyber Media India LLC, New York towards assets purchase of TDA, California.
- c. Total of Bank guarantee outstanding as at year-end amounting to Rs.3,10,500 (three lacs ten thousand and five hundred only) given to Customs and Postal Department against which 100% margin has already been deposited with the bank for a sum of Rs.3,10,500 (three lacs ten thousand and five hundred only)
- d. During the previous year, the Company received a notice from Chennai Sales Tax Authorities demanding a sum of Rs. 18,617,703 for the Assessment Year 2001-02. Disputing the order, the Company secured an appeal before the Chennai Appellate authority against the assessment order but had to deposit Rs. 5,609,357 for going into appeal. The Company has won the appeal at the First Appellate level. However, Chennai Sales Tax Department has gone in to the appeal against the Order of the First Appellate Level and the matter is currently pending with Tamilnadu Sales Tax Appellate Tribunal. The Company has taken expert legal opinion and is confident that the matter will be decided in favour of the Company. Further, in subsequent years the assessing officer has upheld the view of the Company.  
In view of the above, demand raised by the authorities has been treated as contingent liability in accordance with AS-29 "Provision, Contingent Liabilities and Contingent Assets".
- e. Income-tax demand on regular assessment by the revenue authorities disputed in appeal but paid by the Company for assessment year 2003-04 is Rs. 513,107/-.
- f) On July 13 2007, the Company had allotted 1,000,124 warrants convertible into an equal number of equity shares at a later date to the promoters of the Company, pursuant to a special resolution of the shareholders passed by way of postal ballot on June 15, 2007. The Company has received an amount equal to 10% of the total amount payable on such warrants from the promoters. The amount has been utilized in accordance with the objects of the issue and there has been no material variation. However, the option to convert warrants into shares is yet to be exercised by the promoters.

8) The events business hitherto conducted in Cyber Media Events Limited (100% subsidiary of the Company) is now conducted with effect from 1.10.2007 by the holding Company itself.

9) Extraordinary item represents downward revaluation of work-in-progress on restructuring of a foreign subsidiary.

10) The Company has not received any intimation from Micro and Small Enterprises under "The Micro, Small and Medium Enterprises Act, 2006". As per the information available with the Company, no interest is paid or payable under the Act

11) Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year's classification.

12) The Company has no other information required to be disclosed pursuant to Schedule VI of the Companies Act, 1956.

As per our report attached

For and on behalf of

N.K.Goel & Co.  
Chartered Accountants

Neeraj Kumar Goel (Membership No. 500-16570)  
Proprietor

New Delhi  
Dated : June 24, 2008

For and on behalf of Board of Directors

Pradeep Gupta  
Chairman & Managing Director

Krishan Kant Tulshan  
Executive Director

Shilpi Gupta  
Company Secretary